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7 Proposed Attorneys for Chapter 11 Debtor
 and Debtor in Possession

8 **UNITED STATES BANKRUPTCY COURT**
 9 **DISTRICT OF NEVADA**

11
 12 In re
 13 Front Sight Management LLC,

Case No. 22-11824-abl

Chapter 11

Date: OST REQUESTED

Time: OST REQUESTED

Place: Courtroom

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 20 **DEBTOR’S EMERGENCY MOTION FOR ORDER AUTHORIZING DEBTOR TO PAY**
 21 **CRITICAL VENDORS AND CERTAIN PREPETITION TAX LIABILITIES;**
 22 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF**

23 Front Sight Management LLC dba Front Sight Firearms Training Institute, the chapter 11
 24 debtor and debtor in possession herein (the “Debtor”), hereby files its emergency motion (the
 25 “Motion”), pursuant to Sections 105(a), 363(b), 507(a)(8), 541(d), 1107(a), and 1108 of Title 11 of
 26 the United States Code, and Rules 6004 and 6004 of the Federal Rules of Bankruptcy Procedure, for
 27 entry of an order authorizing but not directing the Debtor to pay, in the ordinary course of business,
 28 the prepetition fixed, liquidated and undisputed claims of certain critical vendors and certain
 prepetition tax liabilities, subject to the conditions described herein. The Debtor also requests that

1 the Court authorize, but not direct, all applicable banks and financial institutions to honor all related
2 checks and electronic payment requests authorized pursuant to this Motion provided that sufficient
3 funds are available in the applicable accounts to make the payments.

4 This Motion is based on this Motion and attached Memorandum of Points and Authorities,
5 the concurrently filed *Omnibus Declaration of Ignatius Piazza in Support of First Day Motions* (the
6 “Piazza Decl.”) and evidence appended thereto, the arguments of counsel and other admissible
7 evidence properly brought before the Court at or before the hearing on this Motion.

8 **WHEREFORE**, the Debtor respectfully requests that this Court enter an order granting the
9 Motion in its entirety and granting the relief requested herein, in substantially the form attached
10 hereto as **Exhibit 2**, and to grant such other relief as the Court deems appropriate under the
11 circumstances.

12 DATED: May 24, 2022

BG LAW LLP

13
14 By: /s/ Steven T. Gunber

15 Steven T. Gubner

16 Susan K. Seflin

17 Jessica Wellington

18 Proposed Attorneys for Chapter 11

19 Debtor and Debtor in Possession
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MEMORANDUM OF POINTS AND AUTHORITIES

I. JURISDICTION AND VENUE

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3 1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.
4 This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant
5 to 28 U.S.C. §§ 1408 and 1409.

6 2. Pursuant to Rule 9014.2(a) of the Local Rules of Bankruptcy Practice of the United
7 States District Court for the District of Nevada (the “Local Rules”), the Debtor confirms its consent
8 to the entry of a final order by the Bankruptcy Court in connection with this Motion to the extent that
9 it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final
10 orders or judgments in connection herewith consistent with Article III of the United States
11 Constitution.

12 3. The statutory predicates for the relief requested in this Motion are Sections¹ 105(a),
13 363(b), 507(a)(8), 541(d), 1107(a), and 1108, and Bankruptcy Rules 6003 and 6004, and Local Rule
14 1007(d).

II. FACTUAL BACKGROUND

A. General Case Background

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17 4. On May 24, 2022, Front Sight Management LLC dba Front Sight Firearms Training
18 Institute, a Nevada limited liability company, filed a voluntary petition for relief under chapter 11 of
19 Title 11 of the United States Code (the “Bankruptcy Code”). The Debtor continues to operate its
20 business and manage its affairs as a debtor in possession pursuant to sections 1107(a) and 1108 of
21 the Bankruptcy Code. No trustee, examiner, or committee has been appointed in the Debtor’s
22 chapter 11 case.

23 5. The factual background relating to the Debtor, including its business operations, its
24 capital and debt structure, and the events leading up to the commencement of this chapter 11 case, is

25
26
27 ¹ Unless otherwise stated, all references to “Sections” herein shall be to the Bankruptcy Code
28 appearing in Title 11 of the U.S. Code; all references to a “Bankruptcy Rule” shall refer to the
Federal Rules of Bankruptcy Procedure; and all references to a “Local Rule” shall refer to the Local
Rules of Bankruptcy Practice for the United States District Court for the District of Nevada.

1 set forth in detail in the Piazza Decl., which is incorporated herein by reference in its entirety.²

2 **B. The Debtor's Critical Vendors**

3 6. In the ordinary course of its operations, the Debtor relies on numerous suppliers,
4 service providers and vendors for delivery of goods and/or services. Critical vendors identified on
5 **Exhibit 1** (the "Critical Vendors") supply essential goods and services without which the Debtor's
6 business would suffer serious disruption (the "Critical Goods and Service"). This list is not a
7 complete list of vendors but includes those vendors that are crucial to the Debtor's ongoing
8 operations.

9 7. Though the Debtor relies on many vendors to operate its business, the Debtor has
10 identified those goods and services absolutely essential to its continued operations. Based on these
11 vendors, the Debtor estimates that having authority to pay up to \$45,000 in pre-petition critical trade
12 claims (of which many qualify for administrative expense priority under Section 503(b)(9) of the
13 Bankruptcy Code) will ensure that it can perform on its customer commitments (the "Critical Vendor
14 Claims"). To ensure that the Debtor's liquidity is preserved as it transitions into chapter 11, the *quid*
15 *pro quo* for Debtor's payment of a Critical Vendor Claim will be the applicable Critical Vendors'
16 commitment to provide trade credit consistent with historical practices. Except in rare and exigent
17 circumstances, the Debtor will not pay any prepetition obligation pursuant to the relief requested
18 herein without such Critical Vendor's agreement to provide goods or services on terms consistent
19 with past practice.

20 8. The Debtor has carefully reviewed and analyzed its books and records, contracts and
21 supply agreements, and historic operational needs to determine which business relationships and/or
22 suppliers of goods and services are most critical to its operations. If the Critical Vendors do not
23 receive payment on account of their Critical Vendor Claims, the Critical Vendors will likely
24 terminate or disrupt the services they provide to the Debtor. The termination or disruption of these
25 goods and/or services will result in material harm to the Debtor and its estate. The Debtor's business
26 operations and the value of its enterprise are directly dependent on the continued provision of goods

27 _____
28 ² All capitalized terms not otherwise defined herein shall have those meanings ascribed to them in the Piazza Decl..

1 and services to the Debtor's customers. Payment of the Critical Vendor Claims will permit the
2 Debtor to deliver the service and quality upon which its customers rely and expect.

3 **C. Trust Fund Taxes**

4 9. In the ordinary course of business, the Debtor collects certain trust fund type taxes,
5 including employee withholding, sales and use taxes (however denominated, the "Trust Fund
6 Taxes") from its employees, customers and other parties, and subsequently remits such taxes to the
7 appropriate federal, state and local taxing authorities (each, a "Taxing Authority"). The Trust Fund
8 Taxes include:

9 a. Employee Withholding Taxes. In the ordinary course of business, the Debtor,
10 as required by law, withholds from its employees' paychecks (as applicable) amounts related
11 to federal, state and local income taxes, the employees' portion of FICA and unemployment
12 taxes and social security and Medicare taxes (collectively, the "Employee Withholding
13 Taxes"). The Debtor forwards amounts equal to the Employee Withholding Taxes to the
14 appropriate third-party recipients. To the extent the Debtor has withheld amounts pertaining
15 to said taxes which are due, but not yet paid to any governmental entity, the Debtor seeks
16 authorization to pay them to such governmental entities in the ordinary course of business.

17 b. Sales and Use Taxes. The Debtor collects from customers an assortment of
18 state and local sales and use taxes (collectively, the "Sales and Use Taxes"), in connection
19 with the services the Debtor provides to its customers. Sales and Use Taxes are charged at
20 the point of purchase for certain goods and services and set by the applicable taxing authority
21 as a percentage of the total purchase price.

22 *See Omnibus Declaration.*

23 10. The process by which the Debtor remits the Trust Fund Taxes varies, depending on
24 the nature of the tax at issue and the Taxing Authority to which the relevant tax is to be paid. There
25 is often a lag-time between the time when the Debtor incurs an obligation to pay the Trust Fund
26 Taxes and the date when payment of such taxes is due. Various governmental units may therefore
27 have claims against the Debtor for Trust Fund Taxes that have accrued, but are unpaid and not yet
28 due, as of the Petition Date. The relevant Taxing Authority may also make retrospective

1 adjustments to determine any payment deficiency or surplus for a particular period resulting in a
2 demand for further payment from or refund to the taxpayer. *See* Omnibus Declaration.

3 11. The Debtor estimates that the total amount of prepetition Trust Fund Taxes owing to
4 the various Taxing Authorities as of the Petition Date will not exceed \$40,000.00. Any failure by
5 the Debtor to pay the Trust Fund Taxes could have a material adverse impact on its ability to
6 operate. *See* Omnibus Declaration.

7 **III. RELIEF REQUESTED**

8 12. By this Motion, the Debtor requests authorization to pay all, or a portion of the
9 Critical Vendor Claims as determined by the Debtor in its sole discretion in order to continue
10 receiving the vital goods and services provided by the Critical Vendors.

11 13. To ensure that the Critical Vendors uphold their commitment to providing continued
12 goods and/or services, the Debtor proposes that it be authorized, in its sole discretion, to send a letter
13 enclosing a copy of the order granting this Motion, containing the following terms:

14 a. The amount of such Critical Vendor's estimated Critical Vendor Claims;

15 b. That by acceptance of payment for its Critical Vendor Claims, the Critical Vendor
16 agrees to the terms of the order granting this Motion ("Critical Vendor Order");

17 c. The contract terms between such Critical Vendor and Debtor, or such other terms as the
18 Critical Vendors and Debtor may agree, and the Critical Vendor's agreement to provide goods and/or
19 services to Debtor based upon these terms;

20 d. The Critical Vendor's acknowledgment that it has reviewed the terms and provisions of
21 the Critical Vendor Order and consents to be bound thereby; and

22 e. The Critical Vendor's agreement that it will not separately seek payment for reclamation
23 claims outside the terms of the Critical Vendor Order.

24 Once agreed to and accepted by a Critical Vendor, such letter shall be referred to herein as a
25 "Vendor Agreement."

26 14. Through this Motion, the Debtor also seeks authority to pay other vendors not listed
27 herein to the extent that the Debtor determines that payment of such vendors is critical to the
28 ongoing business operations of the Debtor and such payment is for claims arising under 11 U.S.C. §

1 503(b)(9) (“Additional Critical Vendor(s)”). Such additional critical vendors will also be parties to
2 the Vendor Agreement and payment will be in the Debtor’s discretion and in accordance with the
3 Critical Vendor Order. The Debtor seeks this additional relief now so that it may avoid the expense
4 of seeking Bankruptcy Court approval for each additional vendor that the Debtor learns about after
5 the filing of this Motion.

6 15. By this Motion, the Debtor additionally seeks an order authorizing, but not directing,
7 the Debtor to remit prepetition Trust Fund Taxes owed to the appropriate Taxing Authorities in the
8 ordinary course of business, as such payments become due and payable and to the extent adequate
9 funds are available to make such payments.

10 16. To the extent that a check issued or an electronic funds transfer requested prior to the
11 Petition Date for payment of Critical Vendors or Trust Fund Taxes has not cleared the Debtor’s
12 banks or other financial institutions (collectively, the “Banks”) as of the Petition Date, the Debtor
13 additionally requests that the Court (a) authorize the Banks to receive, process, honor, and pay such
14 checks and/or fund transfer requests, and/or (b) authorize the Debtor to issue replacement checks,
15 submit replacement fund transfer requests, or provide other means of payment to the appropriate
16 Critical Vendors and/or the Taxing Authorities to the extent necessary to pay all outstanding
17 prepetition Critical Vendor Claims and Trust Fund Taxes described in this Motion.

18 **IV. BASIS FOR RELIEF**

19 **A. The Court Should Authorize Payment of the Critical Vendor Claims**

20 The payment of the Critical Vendor Claims can and should be authorized pursuant to
21 Sections 105(a) of the Bankruptcy Code and the "necessity of payment doctrine." Section 105(a) of
22 the Bankruptcy Code provides that "[t]he court may issue any order, process, or judgment that is
23 necessary or appropriate to carry out the provisions" of the Bankruptcy Code. 11 U.S.C. § 105(a);
24 *see also In re Saxman*, 325 F.3d 1168, 1174 (9th Cir. 2003) (under 105(a), "a court may exercise its
25 equitable power ... as a means to fulfill some specific Code provision"). Thus, Section 105(a) of the
26 Bankruptcy Code essentially codifies the Court's equitable powers.

27 Numerous courts have used their Section 105 equitable powers under the "necessity of
28 payment doctrine" to authorize payment of a debtor's pre-petition obligations. *See, e.g.,*

1 *Miltenberger v. Logansport, C. & S. W. R. Co.*, 106 U.S. 286, 311-12 (1882); *In re Tropical*
 2 *Sportswear Int'l Corp.*, 320 B.R. 15, 17 (Bankr. M.D. Fla. 2005); *In re Ionosphere Clubs, Inc.*, 98
 3 B.R. 174, 176-77 (Bankr. S.D.N.Y. 1989). To invoke the "necessity of payment doctrine," the
 4 debtor must show that "the payment is necessary to avert a serious threat to the Chapter 11 process."
 5 *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991); *accord In re Sharon*
 6 *Steel Corp.*, 159 B.R. 730, 737 (Bankr. W.D. Pa. 1993); *In re Gulf Air, Inc.*, 112 B.R. 152, 153-54
 7 (Bankr. W.D. La. 1989). Such relief generally has been granted where, as here, non-payment would
 8 trigger a withholding of goods or services essential to a debtor's business. *See Just for Feet*, 242 B.R.
 9 821, 826 (D. Del. 1999); *In re Wehrenberg, Inc.*, 260 B.R. 468,469 (Bankr. E.D. Mo. 2001).

10 Ninth Circuit decisions have acknowledged that payment of prepetition claims is appropriate
 11 in certain circumstances. For instance, in *Burchinal v. Central Washington Bank (In re Adams*
 12 *Apple, Inc.)*, the Ninth Circuit acknowledged the importance of paying certain prepetition claims in a
 13 reorganization case, even when the claimants are provided an advantage over other creditors:

14 [A] "fundamental tenet" – rehabilitation of debtors...may supersede
 15 the policy of equal treatment. Case have permitted unequal treatment
 16 of pre-petition debts when necessary for rehabilitation, in such
 17 contexts as (i) pre-petition wages to key employees; (ii) hospital
 18 malpractice premiums incurred prior to filing; (iii) debts to providers
 19 of unique and irreplaceable supplies; and (iv) peripheral benefits under
 20 labor contract.

21 829 F.2d 1484, 1490 (9th Cir. 1987) (citation omitted). *See also Weinstein, Eisen & Weiss, LLP v.*
 22 *Gill (In re Cooper Commons, LLC)*, 424 F. 3d 963, 969 (9th Cir. 2005) (citing *In re Adams Apple,*
 23 *Inc.* for its rejection of the fundamental tenet of bankruptcy law that like creditors must always be
 24 treated alike).

25 Courts authorize such relief if: (i) payments are necessary to a debtor's reorganization; (ii) a
 26 sound business justification exists in that the critical vendors refuse to continue to do business with
 27 the debtor absent payment; and (iii) disfavored creditors are at least as well off as they would have
 28 been absent any critical vendor payments. *See Tropical Sportswear*, 320 B.R. at 17; *In re Kmart*
Corp., 359 F.3d 866, 872 (7th Cir. 2004) ("If paying the critical vendors would enable a successful
 reorganization and make even the disfavored creditors better off, then all creditors favor payment

1 whether or not they are designated as ‘critical.’”). Without question, the payment of the Critical
2 Vendor Claims is necessary here.

3 If the Debtor fails to pay the Critical Vendor Claims, the Debtor will lose valuable resources
4 required to operate its business. The Critical Vendors may cease providing the Debtor with their
5 vital services and/or goods if their pre-petition Critical Vendor Claims, some of which are entitled to
6 administrative priority under 11 U.S.C. § 503(b)(9), are not satisfied. Without the services and/or
7 goods provided by the Critical Vendors, the Debtor will be unable to operate its business.
8 Consequently, the failure to honor outstanding commitments to Critical Vendors and the Additional
9 Critical Vendors will have an immediate and material adverse impact on the Debtor's ability to
10 continue to successfully operate, severely limiting the prospects for the Debtor's reorganization and
11 reducing potential payments to all creditors. The immediate payment of the Critical Vendor Claims
12 and the authority to pay Additional Critical Vendors is crucial to the continued operation of the
13 Debtor's business, and preservation of the Debtor's going-concern value. As such, the payment of
14 the Critical Vendor Claims and authority to pay Additional Critical Vendors as such claims arise will
15 provide an ongoing benefit for creditors generally.

16 Pursuant to Section 105(a) of the Bankruptcy Code and the "necessity of payment doctrine,"
17 the Court can and should authorize the Debtor to pay the Critical Vendor Claims immediately.

18 **B. The Court Should Authorize Payment of the Trust Fund Taxes**

19 Payment of the Debtor's undisputed prepetition Trust Fund Taxes is appropriate under the
20 circumstances because the Trust Fund Taxes collected are not property of the estate pursuant to
21 section 541(d) of the Bankruptcy Code. Moreover, even if the Trust Fund Taxes were property of
22 the Debtor's estate: (i) the Trust Fund Taxes would be entitled to priority status under section
23 507(a)(8) of the Bankruptcy Code; (ii) section 363 of the Bankruptcy Code gives the Debtor
24 authority to remit payment on account of Trust Fund Taxes in the ordinary course of business; and
25 (iii) section 105 of the Bankruptcy Code and the Court's general equitable powers allow the Court to
26 grant the relief sought. Accordingly, payment of prepetition Trust Fund Taxes by the Debtor, and
27 honoring and payment of related checks and fund transfer requests by the Banks, is in the best
28 interest of the Debtor's estate and all parties in interest and should be authorized on an emergency

1 basis.

2 Section 541(d) of the Bankruptcy Code provides, in relevant part:

3 Property in which the debtor holds, as of the commencement of the
4 case, only legal title and not an equitable interest . . . becomes property
5 of the estate . . . only to the extent of the debtor's legal title to such
6 property, but not to the extent of any equitable interest in such
7 property that the debtor does not hold.

8 11 U.S.C. § 541(d).

9 Courts have concluded that property which a debtor holds in trust for another, such as trust
10 fund type taxes, does not become property of the estate when the debtor files for bankruptcy. *See*
11 *Begier v. IRS*, 496 U.S. 53, 57-61 (1990) (holding that withheld federal income and FICA taxes and
12 excise taxes collected from its customers were not property of the debtor's estate); *City of Farrell v.*
13 *Sharon Steel Corp.*, 41 F.3d 92, 96-97 (3d Cir. 1994) (holding that debtor withheld city income taxes
14 in trust); *Shank v. Wash. State Dept. of Revenue (In re Shank)*, 792 F.2d 829, 830, 832-33 (9th Cir.
15 1986) (sales taxes required by state law to be collected by sellers from their customers are "trust
16 fund" taxes); *DeChiaro v. N.Y. State Tax Comm'n*, 760 F.2d 432, 433-34 (2d Cir. 1985) (same); *In*
17 *re Am. Int'l Airways, Inc.*, 70 B.R. 102, 103-05 (Bankr. E.D. Pa. 1987) (excise and withholding
18 taxes); *Shipley Co., Inc. v. Darr (In re Tap, Inc.)*, 52 B.R. 271, 272 (Bankr. D. Mass. 1985)
19 (withholding taxes); *EBS Pension L.L.C. v. Edison Bros. Stores, Inc. (In re Edison Bros., Inc.)*, 243
20 B.R. 231, 235 (Bankr. D. Del. 2000) (taxes relating to the termination of debtor's pension plan).

21 Here, the Debtor collects the Trust Fund Taxes for Taxing Authorities. As such, the Trust
22 Fund Taxes do not constitute estate property. Because the Trust Fund Taxes do not constitute estate
23 property, the funds may not be used for the satisfaction of creditors' claims against the Debtor.
24 Therefore, payment of the Trust Fund Taxes will not adversely affect the Debtor or its creditors and
25 the Debtor should be permitted to pay the funds to the Taxing Authorities as they become due.

26 However, even if the Trust Fund Taxes were property of the Debtor's estate, claims for
27 payment of the Trust Fund Taxes would be afforded priority status under Section 507(a)(8) of the
28 Bankruptcy Code. *See* 11 U.S.C. § 507(a)(8) (providing priority to claims by governmental units for
withholding taxes, employment taxes, excise taxes, etc.). Pursuant to Section 1129 of the

1 Bankruptcy Code, such claims would have to be paid in full under any chapter 11 plan filed in this
2 case. *See* 11 U.S.C. § 1129(a)(9)(C) (court shall confirm plan only if it provides for Section
3 507(a)(8) claims to be paid in full). As such, the requested relief would only affect the timing of the
4 payment of the Trust Fund Taxes and would not prejudice the rights of other creditors or parties in
5 interest. Furthermore, payment of the Trust Fund Taxes now will save the Debtor the potential
6 interest expense, legal expense, and penalties that might otherwise accrue on the Trust Fund Taxes
7 during this chapter 11 case.

8 Moreover, Section 363 of the Bankruptcy Code provides authority for the Debtor to pay the
9 Trust Fund Taxes when they come due. Section 363(c)(1) provides that a debtor in possession “may
10 enter into transactions, including the sale or lease of property of the estate, in the ordinary course of
11 business, without notice or a hearing, and may use property of the estate in the ordinary course of
12 business without notice or a hearing.” 11 U.S.C. § 363(c)(1). Pursuant to Sections 1107 and 1108
13 of the Bankruptcy Code, the Debtor is operating as a debtor-in-possession. The Debtor seeks
14 authorization only to pay the Trust Fund Taxes in the ordinary course of business to the same extent
15 as it would have paid such Trust Fund Taxes prepetition. As there are no “significant alterations”
16 between the Debtor’s prepetition activities and the relief sought in this Motion, even if the Trust
17 Fund Taxes were found to be property of the estate, the Debtor submits that this Court should
18 authorize the payment of the Trust Fund Taxes in the ordinary course of business.

19 As discussed above, the Court may also authorize payment of the Trust Fund Taxes pursuant
20 to Section 105(a) of the Bankruptcy Code under the “necessity of payment” doctrine. Payment of
21 the Trust Fund Taxes will benefit the Debtor and its creditors by allowing the Debtor to continue
22 operations without interruption and by reducing the amount and priority of claims to be asserted
23 against the Debtor’s estate. The requested relief is integral to the continuing operation of the
24 Debtor’s business and its successful reorganization, and is appropriate and consistent with the
25 provisions of the Bankruptcy Code. In light of the foregoing, the relief requested in this Motion is
26 appropriate and is in the best interests of the Debtor, its estate and its creditors.

1 **C. Cause Exists To Authorize Debtor’s Banks To Honor Checks & Electronic**
 2 **Transfers.**

3 The Debtor further requests that all applicable Banks be authorized to receive, process,
 4 honor, and pay any and all checks or electronic fund transfers drawn on the Debtor’s accounts when
 5 the Debtor requests payment of prepetition Critical Vendor Claims and Trust Fund Taxes owed to
 6 Taxing Authorities. The Debtor represents that such checks and electronic transfers can be readily
 7 identified as relating to authorized payments of Critical Vendor Claims and Trust Fund Taxes to
 8 Taxing Authorities. Accordingly, the Debtor believes that checks and electronic transfers other than
 9 those for authorized Critical Vendor Claims and Trust Fund Taxes will not be honored inadvertently.

10 **V. RESERVATION OF RIGHTS**

11 Nothing in this Motion should be construed as impairing Debtor’s right to contest the amount
 12 or validity of any Critical Vendor Claims or trust fund type taxes that may be due and owing to the
 13 Taxing Authorities. The Debtor expressly reserves its rights to contest claims related to the Critical
 14 Vendor Claims and/or Trust Fund Taxes under applicable law.

15 **VI. NOTICE**

16 Bankruptcy Rule 6003(b) provides “except to the extent that relief is necessary to avoid
 17 immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition,
 18 grant relief regarding . . . a motion to use, lease or otherwise incur an obligation regarding property
 19 of the estate, including a motion to pay all or part of a claim that arose before filing of the petition. . .
 20 .” If outstanding Critical Vendor Claims and Trust Fund Taxes cannot be immediately satisfied, the
 21 Debtor will likely be unable to escape the immediate and irreparable harm that will follow. In order
 22 to ensure the Debtor’s chances of successfully reorganizing and maximizing value for the Debtor’s
 23 creditors, this Court should find that the exception set forth in Bankruptcy Rule 6003 applies here.³

24 Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of
 25 property. . . is stayed until the expiration of 14 days after entry of the order, unless the court orders

26 _____
 27 ³ To the extent any of the relief requested herein is not granted at the hearing on the First Day
 28 Motions, in the alternative, and out of an abundance of caution, the Debtor requests that the Court set
 a final hearing on any remaining matters on the earliest available date that is more than twenty-one
 (21) days after the Petition Date pursuant to Bankruptcy Rule 6003.

1 otherwise.” In view of the urgency of the relief requested herein and the risk to the Debtor’s
2 operations if the Debtor cannot pay the Critical Vendor Claims and Trust Fund Taxes, a fourteen-day
3 stay of the relief sought herein is impractical. Accordingly, the Debtor requests that this Court waive
4 the stay under Bankruptcy Rule 6004(h) and provide in the order granting the relief sought herein
5 that such order shall be effective immediately. Given the emergency nature of the relief requested
6 herein, and the potential disruption to the Debtor’s business that will ensue if such relief requested is
7 not granted, the Debtor submits that no further notice need be given prior to the granting of the relief
8 sought herein.

9 **VII. CONCLUSION**

10 Based on the foregoing, the Debtor respectfully requests that the Bankruptcy Court enter an
11 order granting the relief requested herein, in substantially the form attached hereto as **Exhibit 2**, and
12 to grant such other relief as the Bankruptcy Court deems appropriate under the circumstances.

13 DATED: May 24, 2022

BG LAW LLP

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15
16 By: /s/ Steven T. Gubner
17 Steven T. Gubner
18 Susan K. Seflin
19 Jessica Wellington
20 Proposed Attorneys for Chapter 11
21 Debtor and Debtor in Possession
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Exhibit 1

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Gun Crafters
Dept. 850024233
P.O. Box 419267
Kansas City, MO 64141-6267
Amount Owed: \$2,662

Axil
120 E 13065 S Ste. 203
Draper, UT 84020
Amount Owed: \$1,920

Guardian Safety & Supply LLC
8248 W. Doe Ave
Visalia CA 93291
Amount Owed: \$802.79

First Tactical
4300 Spyres Way
Modesto, CA 95356
Amount Owed: \$911.25

Homer Electric Association Inc.
C/O Southeastern Data Cooperative
P.O. Box 530812
Atlanta GA 30353-0812
Amount Owed: \$99.63

Richard Carlton Consulting Inc
Admin / Finance Dept
1941 Rollingwood Drive
Fairfield, CA 94534
Amount Owed: \$5,340.00

Amerigas
P.O. Box 7155
Pasadena CA 91109-7155
Amount Owed: \$738.45

AutoZone
PO Box 791409
Baltimore, MD 21279-1409
Amount Owed: \$204.83

Brons Tapes Of NV
P.O. Box 5304
Denver CO 80217-5304
Amount Owed: \$2,366.26

1 Joe's Sanitation
P.O. Box 1268
2 Pahrump, NV 89041-1268
3 **Amount Owed: \$4720.86**

4 Marks Service Center LLC
P.O. Box 3469
5 Pahrump NV 89041
6 **Amount Owed: \$765.46**

7 Pahrump Valley Disposal Inc.
P.O. Box 1268
8 Pahrump NV 89041-1268
9 **Amount Owed: \$415.88**

10 Rent 2 Go
3400 S. HWY 160
Pahrump, NV 89048
11 **Amount Owed: \$1,594.30**

12 Staples
P.O. Box 105638
13 Atlanta, GA 30348-5638
14 **Amount Owed: \$321.32**

15 William Scotsman, Inc.
PO BOX 91975
16 CHICAGO, IL 60693-1975
17 **Amount Owed: \$3984.84**

18 Rebel Oi
2200 South Highland Drive
19 Las Vegas, Nevada 89102
20 **Amount Owed: \$13,283.74**

21 Sticker.com
P.O. Box 851
22 Babylon, NY 11702
23 **Amount Owed: \$80.98**

24 My Corp Hosting Solutions
Reference Number: 28140
25 PO Box 715
Effort PA 18330-0715
26 **Amount Owed: \$503.00**

27 Valley Electric Assn
P.O. Box 237
28 Pahrump, NV 89041-0237
Amount Owed: \$4,187.40

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and Debtor in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re
Front Sight Management LLC,

Case No. 22-11824-abl

Chapter 11

Date: OST REQUESTED

Time: OST REQUESTED

**ORDER GRANTING DEBTOR’S EMERGENCY MOTION FOR ORDER
AUTHORIZING DEBTOR TO PAY CRITICAL VENDORS AND CERTAIN
PREPETITION TAX LIABILITIES**

The Court, having reviewed and considered the Debtor’s motion (the “Motion”)¹ for an
order, pursuant to Sections 105(a), 363(b), 507(a)(8), 541(d), 1107(a), and 1108 of Title 11 of the

¹ All capitalized, undefined terms shall have the meaning ascribed to them in the Motion.

1 United States Code (the “Bankruptcy Code”), and Rules 6004 and 6004 of the Federal Rules of
2 Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order authorizing but not directing
3 the Debtor to pay, in the ordinary course of business, the prepetition fixed, liquidated and undisputed
4 claims of certain critical vendors and certain prepetition tax liabilities (as defined in the Motion); and
5 this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court
6 having found that venue of this proceeding and the Motion in this district is proper pursuant to 28
7 U.S.C. §§ 1408 and 1409; and this Court having found that this is a core proceeding pursuant to 28
8 U.S.C. § 157(b); and this Court having found that the Debtor’s notice of the Motion and opportunity
9 for a hearing on the Motion were appropriate under the circumstances and no other notice need be
10 provided; and this Court having reviewed the Motion and having heard the statements in support of
11 the relief requested therein at a hearing, if any, before this Court (the “Hearing”); appearances
12 having been noted on the record at the Hearing; the Court having stated its findings of fact and
13 conclusions of law on the record at the Hearing on the Motion, which findings of fact and
14 conclusions of law are incorporated herein by this reference in accordance with Fed. R. Civ. P. 52, as
15 made applicable by Bankruptcy Rule 9014; and it appearing that the relief requested is necessary to
16 preserve the Debtor’s ongoing operations and necessary to avoid immediate and irreparable harm,
17 and is in the best interests of the Debtor, its estates, and its creditors; and in the light of the
18 circumstances and the emergency nature of the relief requested; and after due deliberation and
19 sufficient cause appearing therefor,

20 **IT IS HEREBY ORDERED** that the Motion is GRANTED; and

21 **IT IS FURTHER ORDERED THAT:**

22 1. The Debtor is authorized, but not directed, to enter into Vendor Agreements with
23 Critical Vendors and to pay all or a portion of the Critical Vendor Claims as determined by the
24 Debtor in its sole discretion;

25 2. The Debtor is authorized, but not directed to pay all or a portion of its Trust Fund
26 Taxes, including, but not limited to, prepetition employee withholding, sales, use and other trust
27 fund type taxes due and owing to all Taxing Authorities, including federal, state and local taxing
28 authorities;

1 3. All Banks are authorized to receive, process, honor, and pay any and all checks or other
2 transfers drawn on the Debtor's accounts in connection with the Critical Vendor Claims and/or Trust
3 Fund Taxes regardless of when issued, as directed by the Debtor, providing that sufficient funds are
4 available in the relevant accounts;

5 4. The Debtor is authorized, but not directed, to enter into Vendor Agreements with
6 Additional Critical Vendors and to pay all or a portion of the Additional Critical Vendor Claims as
7 determined by Debtor in its sole discretion;

8 5. Nothing in this Order or the Motion shall be construed as prejudicing any rights the
9 Debtor may have to contest the amount of validity of any Critical Vendor Claims and Trust Fund
10 Tax or other trust fund-type tax obligations allegedly due to any Taxing Authority;

11 6. The fourteen-day stay applicable to any order approving the use of estate property
12 imposed by Bankruptcy Rules 6004(h) is waived; and

13 7. The 21-day time period imposed by Bankruptcy Rule 6003 to avoid immediate and
14 irreparable harm is waived.

15 **IT IS SO ORDERED.**

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18 Submitted by:
19 BG LAW LLP

20 By: _____
21 Steven T. Gubner
22 Susan K. Seflin
23 Jessica Wellington

24 Proposed Attorneys for Chapter 11
25 Debtor and Debtor in Possession
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LR 9021 CERTIFICATION

In accordance with LR 9021, an attorney submitting this document certifies as follows

(check one):

The court has waived the requirement set forth in LR 9021(b)(1).

No party appeared at the hearing or filed an objection to the motion.

I have delivered a copy of this proposed order to all attorneys who appeared at the hearing and opposed the relief, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

I certify that this is a case under chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

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