

1 Marc J. Winthrop, Esq. (Cal. SBN 63218)
 2 Garrick A. Hollander, Esq. (Cal. SBN 166316)
 3 Matthew J. Stockl, Esq. (Cal. SBN 329366)
WINTHROP GOLUBOW HOLLANDER, LLP
 4 1301 Dove Street, Suite 500
 Newport Beach, California 92660
 Telephone: (949) 720-4100
 5 mwinthrop@wghlawyers.com
 ghollander@wghlawyers.com
 6 mstockl@wghlawyers.com
 (Admitted *Pro Hac Vice*)
 7

8 Thomas H. Fell, Esq. (NSBN 3717)
 FENNEMORE CRAIG, P.C.
 9 9275 W. Russell Road, Suite 240
 Las Vegas, Nevada 89148
 Telephone: (702) 791-8224
 10 tfell@fennemorelaw.com
 11

12 Counsel for secured creditor, Michael Meacher,
 dba Bankgroup Financial Services
 13

14 **UNITED STATES BANKRUPTCY COURT**
 15 **FOR THE DISTRICT OF NEVADA**

16 In re:
 17 Front Sight Management, LLC,
 Debtor.

Case No.: 22-11824-abl
 Chapter 11

Date: September 30, 2022
 Time: 9:30 a.m.
 Location: Foley Courtroom 1, Telephonic
 Judge: Honorable August B. Landis

18
 19
 20
 21
 22 **OBJECTION AND RESERVATION OF RIGHTS OF MICHAEL MEACHER**
 23 **DBA BANKGROUP FINANCIAL SERVICES TO THE DEBTOR’S MOTION FOR**
 24 **ENTRY OF ORDER: (I) APPROVING THE DISCLOSURE STATEMENT; (II)**
 25 **APPROVING THE FORM OF BALLOTS AND PROPOSED SOLICITATION AND**
 26 **TABULATION PROCEDURES; (III) FIXING THE VOTING DEADLINE WITH**
 27 **RESPECT TO THE DEBTOR’S CHAPTER 11 PLAN; (IV) FIXING THE LAST DATE**
 28 **FOR FILING OBJECTIONS TO THE CHAPTER 11 PLAN; AND (V) SCHEDULING A**
HEARING TO CONSIDER CONFIRMATION OF THE PLAN

To the Honorable AUGUST B. LANDIS, Chief United States Bankruptcy Judge:

1 Michael Meacher, dba Bankgroup Financial Services (“Meacher”), by and through his
2 undersigned counsel, hereby submits this objection (the “Objection”) to the *Debtor’s Motion for*
3 *Entry of Order: (i) Approving the Disclosure Statement; (ii) Approving the Form of Ballots and*
4 *Proposed Solicitation and Tabulation Procedures; (iii) Fixing the Voting Deadline with Respect*
5 *to the Debtor’s Chapter 11 Plan; (iv) Fixing the Last Date for Filing Objections to the Chapter*
6 *11 Plan; and (v) Scheduling a Hearing to Consider Confirmation of the Plan* [ECF No. 339]
7 (the “Motion”) filed by Front Sight Management LLC (the “Debtor”), which seeks, among
8 other things, approval of the Debtor’s *First Amended Disclosure Statement Describing Debtor’s*
9 *First Amended Chapter 11 Plan of Reorganization Dated September 9, 2022* [ECF No. 338]
10 (the “Disclosure Statement”).

11 **I.**

12 **INTRODUCTION**

13 Meacher is a secured creditor in the above-captioned Chapter 11 proceeding. For the
14 reasons set forth below, Meacher asserts that the Debtor’s Disclosure Statement does not provide
15 adequate disclosure of information and approval should be denied on several grounds including
16 that:

- 17 1. The Disclosure Statement makes conflicting and misleading statements regarding
18 Meacher’s claim and the collateral securing the claim;
- 19 2. The Disclosure Statement does not provide any significant detail on the proposed
20 treatment of Meacher’s claim;
- 21 3. The Disclosure Statement inaccurately classifies Meacher’s claim as
22 “unimpaired; not entitled to vote;”
- 23 4. The Disclosure Statement inaccurately describes Michael Meacher as “former
24 insider” of the Debtor; and
- 25 5. The Disclosure Statement fails to disclose any specifics regarding the Consulting
26 Agreement with Ignatius Piazza (“Piazza”) or Piazza’s ongoing role in the Reorganized Debtor.

27 In support of the Objection, Meacher states the following:
28

1 II.

2 **STATEMENT OF FACTS**

3 The Debtor and Meacher are parties to a Consulting Agreement dated July 1, 2010 (the
4 “Consulting Agreement”), pursuant to which Meacher agreed to serve as a consultant to Debtor.
5 In consideration of the deferment of certain fees due under the Consulting Agreement, and to
6 secure Debtor’s obligations under the Consulting Agreement, the Debtor granted Meacher a
7 security interest in, among other things, “all handguns, shotguns, rifles and machine guns owned
8 by [Debtor] and accounted for on the [Debtor’s] books under Federal Firearm Licenses No. 9-
9 88-023-01-4M-01495 and No. 9-88-023-01-00199” (the “Collateral”). To perfect its security
10 interest in the Collateral, on March 22, 2021, Meacher/BFS filed a UCC-1 financing statement
11 with the Nevada Secretary of State, filing number 2021162123-4 (the “Financing Statement”).
12 The Financing Statement covers the following collateral: “1. All of the collateral listed on
13 Exhibit A attached hereto, which consists of 37 pages of itemized firearms and firearm
14 equipment; plus 2. All of the collateral listed on Exhibit B attached hereto, which consists of 23
15 pages of itemized firearms and firearm equipment.”

16 On May 24, 2022, the Debtor filed a voluntary petition under Chapter 11 of the
17 Bankruptcy Code commencing this case. [See ECF No. 1]. On June 2, 2022, the Court entered
18 an order that establishes certain notice procedures and bar dates (the “Notice/Bar Date Order”).
19 [See ECF No. 82]. The “Notice of Bar Date for Filing Proofs of Claim” attached to the
20 Notice/Bar Date Order set August 8, 2022 as the bar date for filing claims. [See ECF No. 82].

21 On June 9, 2022, the U.S. Trustee filed a Notice of Appointment of an Official
22 Committee of Unsecured Creditors. [See ECF Nos. 115-116]. On June 15, 2022, Debtor filed
23 its schedules and statement of financial affairs (“SOFA”). [See ECF No. 137]. The Section 341
24 meeting of creditors was held on June 23, 2022 and concluded. [See ECF Nos. 3, 58, 86 & 188].

25 On August 5, 2020, Meacher timely filed proof of claim number 235 in the amount of
26 \$3,300,000.00 (the “Meacher Claim”). Attached to the Meacher Claim is an addendum and
27 exhibits setting forth the basis for the claim.
28

The Debtor filed the Disclosure Statement on September 9, 2022. The Disclosure Statement provides as follows regarding the proposed treatment of the Meacher Claim:

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
2	<p>Secured claim of Michael Meacher dba Bankgroup Financial Services ("Meacher")</p> <p>Collateral Description: Certain of the Debtor's Firearms</p> <p>Value of Collateral: Approximately \$214,569 book value of collateral set forth in the Bankgroup UCC financing statement filed March 22, 2021</p>	<p>Filed Claim: \$3.3 million secured claim [Proof of Claim No. 235-1]</p> <p>Former insider.</p>	<p>This claim is Contingent and Disputed.</p> <p>The Debtor intends on filing a complaint to avoid the lien which includes an objection to claim and fraudulent transfer claim for relief.</p> <p>Treatment: Pending resolution of the Debtor's complaint against Meacher and prior to the Effective Date, \$3.3 million of the Cash Contribution shall be placed into a reserve account for Meacher's allowed claim. If Meacher's allowed claim is less than the reserve amount, any surplus shall revert to the Reorganized Debtor.</p> <p>Upon resolution of the aforementioned complaint, if the Class 2 claimant has an allowed secured claim, such claim shall be paid in full.</p> <p>Unimpaired; Not Entitled to Vote</p>

On September 12, 2022, the Court entered an *Order Shortening Time for Hearing on Adequacy of the Debtor's First Amended Disclosure Statement and Procedure Motion Related Thereto*, setting the hearing on the Debtors' motion to approve the Disclosure Statement for September 30, 2022, and setting September 23, 2022, as the deadline to submit objections to the Disclosure Statement. [See ECF No. 344].

///

///

1 III.

2 **THE DISCLOSURE STATEMENT**

3 **DOES NOT CONTAIN ADEQUATE INFORMATION**

4 The Disclosure Statement does not contain “adequate information,” as required by
5 Section 1125(a)(1) of the Bankruptcy Code. Therefore, this Court should not approve the
6 Disclosure Statement.

7 **A. The Applicable Disclosure Burden**

8 A court may not approve a disclosure statement unless it finds that the disclosure
9 statement contains adequate information. 11 U.S.C. § 1125(b). Section 1125(a)(1) states that
10 “adequate information” means:

11 information of a kind, and in sufficient detail, as far as is reasonably
12 practicable in light of the nature and history of the debtor and the
13 condition of the debtor’s books and records, including a discussion of the
14 potential material Federal tax consequences of the plan to the debtor, any
15 successor to the debtor, and a hypothetical investor typical of the holders
of claims or interests in the case, that would enable such a hypothetical
investor of the relevant class to make an informed judgment about the plan
.....

16 11 U.S.C. § 1125(a)(1).

17 “The debtor bears the ultimate burden of proving the adequacy of its disclosure
18 statement.” *In re Bellows*, 554 B.R. 219, 225 (Bankr. D. Alaska 2016).

19 The doctrine of caveat emptor has no application to reorganizations.
20 The corollary is that the risk of defective disclosure is on the discloser.
21 This creates an incentive for the plan proponent to make full, candid,
22 and complete disclosure. The proponent should be biased towards more
disclosure than less.

23 In short, the plan proponent bears the ultimate risk of nonpersuasion on
24 the question of compliance with the requirement to disclose adequate
25 information and must bear that burden twice—once at the hearing on
the disclosure statement pursuant to section 1125 and once again at
confirmation pursuant to section 1129(a)(2).

26 *In re Michelson*, 141 B.R. 715, 720 (Bankr. E.D. Cal. 1992).

27 Although Congress did not provide in Section 1125(a)(1) any more detailed description
28 of what constitutes “adequate information,” Congress intended that “precisely what constitutes

1 adequate information in any particular instance will develop on a case-by-case basis.” H.R.
2 Rep. No. 595, 95th Cong., 1st Sess. 408 (1977). *See also Tex. Extrusion Corp. v. Lockheed*
3 *Corp. (In re Tex. Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988) (“The determination of
4 what is adequate information is subjective and made on a case by case basis. This
5 determination is largely within the discretion of the bankruptcy court.”). Full and adequate
6 disclosure is critical to the legitimacy of the reorganization process. *See Oneida Motor Freight,*
7 *Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3rd Cir. 1988) (“The importance of full
8 disclosure is underlaid by the reliance placed upon the disclosure statement by the creditors and
9 the court. Given this reliance, [the court] cannot overemphasize the debtor’s obligation to
10 provide sufficient data to satisfy the Code standard of ‘adequate information’”). As a general
11 rule, a disclosure statement should contain all pertinent information bearing upon the success or
12 failure of the proposals contained in the plan of reorganization and should set forth all material
13 information relating to the risks posed to creditors. *See, e.g., In re Cardinal Congregate I*, 121
14 B.R. 760, 765 (Bankr. S.D. Ohio 1990).

15 Where a disclosure statement fails to provide information material to the proffered plan,
16 courts will deny approval of the disclosure statement. *See, e.g., In re Main Street AC, Inc.*, 234
17 B.R. 771 (Bankr. N.D. Cal. 1999) (disclosure statement denied as inadequate for failure to
18 provide sufficient information concerning financial information of debtor’s acquisition); *In re*
19 *Metrocraft Publishing Services, Inc.*, 39 B.R. 567, 569-81 (Bankr. N.D. Ga. 1984) (approval of a
20 disclosure statement denied where disclosure statement omitted information relating to value of
21 assets of the debtor, amount of unsecured claims, ability to collect accounts receivable and
22 estimated return to creditors in chapter 7 liquidation); *In re New Haven Radio, Inc.*, 18 B.R. 977
23 (Bankr. D. Conn. 1982) (disclosure statement inadequate because of failure to provide sufficient
24 information concerning debtor’s assets and liabilities, specifically to identify creditors, to
25 identify or indicate amount of or to classify claims, and to disclose status of debtor’s FCC
26 license); *In re Adana Mortgage Bankers, Inc.*, 14 B.R. 29 (Bankr. N.D. Ga. 1981) (failure to
27 disclose financial and other information relating to risks to creditors under the plan is
28

1 inadequate); *In re McGrew*, 60 B.R. 276 (Bankr. W.D. Ark. 1986) (disclosure statement
2 inadequate for failure to account for value of certain assets).

3 **B. The Specific Disclosure Deficiencies with Respect to the Disclosure**
4 **Statement**

5 The Debtor's Disclosure Statement does not contain adequate information regarding the
6 merits of the Debtor's Plan. The following are specific material deficiencies in disclosure with
7 respect to the Disclosure Statement:

8 **1. The Disclosure Statement Makes Conflicting and Misleading Statements**
9 **Regarding the Meacher Claim and the Collateral Securing the Claim**

10 The Disclosure Statement states that the Meacher Claim is "Contingent and Disputed"
11 and that the "Debtor intends on filing a complaint to avoid the lien which includes an objection
12 to claim and fraudulent transfer claim for relief."

13 The Meacher Claim is not contingent, and thus the Disclosure Statement's
14 characterization of the Meacher Claim is incorrect. A contingent claim "is dependent on some
15 future event that may never happen." *In re Dill*, 30 B.R. 546, 548 (9th Cir. BAP 1983). The
16 Meacher Claim is not rendered contingent merely because the Debtor disputes such claim or it
17 may be subject to future litigation. "[A] debt is not contingent merely because a Debtor
18 disputes the debt or claim." *In re Murphy*, 374 B.R. 73, 76 (Bankr. W.D.N.Y. 2007). A claim
19 "was not contingent merely because it would take a lawsuit to reduce it to judgment" *In re*
20 *Herreras*, 257 B.R. 1, 5 (C.D. Cal. 2000); *U.S. v. Ruff*, 179 B.R. 967, 973 (M.D. Fla. 1995)
21 citing *United States v. Hubbell*, 323 F.2d 197 (5th Cir.1963). Here, the Meacher Claim is not
22 dependent upon some future event, and the mere fact that the Debtor disputes the Meacher
23 Claim does not render such claim contingent.

24 The Disclosure Statement further provides that "[u]pon resolution of the aforementioned
25 complaint, if the Class 2 claimant has an allowed secured claim, such claim shall be paid in
26 full." However, it is unclear whether the Debtor will pay the full \$3.3 million amount of the
27 Meacher Claim when the Debtor asserts that the value of the Collateral securing the Meacher
28 Claim is only \$214,569. In addition, Meacher disputes the Debtor's valuation of the Collateral.

1 Further investigation is required to determine the extent of the bankruptcy estate’s interest in the
2 Collateral and whether additional firearms purportedly owned by Piazza individually are in fact
3 property of the estate.

4 **2. The Disclosure Statement Does Not Provide Any Significant Detail on the**
5 **Proposed Treatment of Meacher’s Claim**

6 The Disclosure Statement lists the “book value” of the Collateral securing the Meacher
7 Claim as \$214,569, but does not provide any significant detail on the proposed treatment of the
8 Meacher Claim, e.g., whether the claim will be bifurcated into secured and unsecured amounts,
9 the proposed treatment of any unsecured deficiency, or the impact on the distribution to
10 unsecured creditors if the Debtor successfully avoids Meacher’s security interest in the
11 Collateral.

12 Moreover, the Debtor’s purported use of the “book value” of the collateral is improper.
13 For the purposes of Section 506, the Court must determine the fair market value of the collateral.
14 “[W]here the debtors intend to retain and use the property, it is appropriate that the amount in
15 which the secured claim should be allowed is the fair market value of the property” *In re*
16 *Courtright*, 57 B.R. 495, 497 (Bankr. D. Or. 1986). “The fair market value is the price which a
17 willing seller under no compulsion to sell and a willing buyer under no compulsion to buy
18 would agree upon after the property has been exposed to the market for a reasonable time.” *In*
19 *re Taffi*, 96 F.3d 1190, 1192 (9th Cir. 1996). It is well established that “book values are not
20 ordinarily an accurate reflection of the market value of an asset.” *In re Roblin Industries, Inc.*,
21 78 F.3d 30, 36 (2d Cir. 1996); *see also In re Webber*, 350 B.R. 344, 388 (Bankr. S.D. Tex. 2006)
22 (“the value is supposed to be the fair market value, not the book value.”).

23 Accordingly, the Debtor’s proposed use of the “book value” rather than the “fair market
24 value” of the collateral is improper.

25 **3. The Disclosure Statement Inaccurately Classifies Meacher’s Claim as**
26 **“Unimpaired; Not Entitled to Vote”**

27 The Debtor asserts that the Meacher Claim is somehow unimpaired. To be unimpaired
28 by a plan, the debtor’s plan must either “leave[] unaltered the legal, equitable, and contractual

1 rights to which such claim or interest entitles the holder of such claim or interest,” 11 U.S.C.
2 § 1124(1), or satisfy a set of criteria to cure any default, reinstate the claim’s maturity date,
3 compensate the creditor for any damages, and not otherwise “alter the legal equitable, or
4 contractual rights to which such claim or interest entitles the holder of such claim or interest.”
5 11 U.S.C. § 1124(2); *see also* 7 Collier on Bankruptcy ¶ 1124.01 (Richard Levin & Henry J.
6 Sommer eds., 16th ed.) (“Under section 1124(2), in general, the plan can leave a class of claims
7 or interests unimpaired by curing defaults, reinstating the maturity of the claims or interests,
8 compensating the holders for any damages, and not otherwise impairing the rights of the
9 holders.”). “In general, a class of claims is impaired under section 1124 if the plan alters the
10 legal, equitable or contractual rights to which the holders of such claims are otherwise entitled,
11 unless the only alteration is the reinstatement of the original maturity and curing defaults with
12 respect to an accelerated debt.” 7 Collier on Bankruptcy ¶ 1124.02 (Richard Levin & Henry J.
13 Sommer eds., 16th ed.).

14 “Section 1124 requires that the plan propose **to cure the arrearage on or before the**
15 **effective date of the plan** and not otherwise alter the legal rights of the creditor in order that
16 classes of claims be deemed unimpaired.” *In re Holthoff*, 58 B.R. 216, 219 (Bankr.E.D.Ark.
17 1985) (emphasis added). *See also In re Jones*, 32 B.R. 951, 960 (Bankr.D.Utah 1983) (“Cure
18 and compensation required by Section 1124(2) **must be completed by the effective date** of the
19 plan if impairment is to be avoided.”) (emphasis added).

20 Here, the Plan impairs the Meacher Claim because it alters Meacher’s rights. As set
21 forth the in the Disclosure Statement, the Debtor intends to dispute the Meacher Claim and
22 avoid Meacher’s security interest in the Collateral. The Plan does not propose to cure all
23 arrearages by the Effective Date of the Plan. Rather, the Plan proposes to delay payment
24 indefinitely pending “resolution of the aforementioned complaint.” This delay alone constitutes
25 an impairment.

26 Moreover, although the Plan purports that it will pay the Meacher Claim in full, the Plan
27 does not contemplate full payment of the Meacher Claim because it values the Collateral
28

1 securing the Meacher Claim at \$214,569, which is far less than the actual amount of the
2 Meacher Claim.

3 **4. The Disclosure Statement Inaccurately Describes Michael Meacher as a**
4 **“Former Insider” of the Debtor**

5 With respect to a debtor that is a corporation, the Bankruptcy Code’s definition of an
6 “insider” includes a:

- 7 (i) director of the debtor;
8 (ii) officer of the debtor;
9 (iii) person in control of the debtor;
10 (iv) partnership in which the debtor is a general partner;
11 (v) general partner of the debtor; or
12 (vi) relative of a general partner, director, officer, or person in control of the debtor.

13 11 U.S.C. § 101(31)(B).¹

14 Neither “officer” or “director” is defined in the Bankruptcy Code. *In re Borders Group,*
15 *Inc.*, 453 B.R. 459, 468 (Bankr. S.D.N.Y. 2011). Courts have relied on dictionary definitions of
16 these terms. As the court explained in *Borders Group*, a director is “an individual who sits on
17 the board of directors” of a debtor. *Id.* An officer “is defined as a ‘person elected or appointed
18 by the board of directors to manage the daily operations of a corporation, such as the CEO,
19 president, secretary, or treasurer.’” *Id.* (quoting BLACK’S LAW DICTIONARY 1193 (9th ed.
20 2009)). According to the legislative history, “[a]n insider is one who has a significantly close
21

22
23 ¹ A limited liability company like the Debtor (an “LLC”) is a “corporation” as that term is used
24 in the Bankruptcy Code. Section 101(9) of the Code defines “corporation” broadly, to
25 encompass both (1) an “association having a power or privilege that a private corporation, but
26 not an individual or a partnership, possesses” and (2) “an unincorporated company.” 11 U.S.C.
27 § 101(9). An LLC fits both of these categories because it is an unincorporated company and
28 because it affords its members the same limited liability extended to corporate shareholders. *See*
Fed. R. Bankr. P. 7007.1 advisory committee’s note (“[L]imited liability companies and similar
entities . . . fall under the definition of a corporation in Bankruptcy Code § 101.”); *Gilliam v.*
Speier (In re KRSM Props., LLC), 318 B.R. 712, 717 (9th Cir. BAP 2004) (“[A]n LLC, by virtue
of its structure and limited liability features, fits comfortably within the Bankruptcy Code’s
definition of ‘corporation’”).

1 relationship with the debtor that his conduct is made subject to closer scrutiny than those dealing
2 at arms length with the debtor.” S.REP. NO. 95–989, 95th Cong., 1st Sess. 25 (1978).

3 Michael Meacher was the Debtor’s Chief of Operations. However, the label an employer
4 chooses to attach to a position is not dispositive for purposes of insider analysis because
5 “[c]ompanies often give employees the title ‘director’ or ‘director-level’ but do not give them
6 decision-making authority akin to an executive.” *Id.* at 469; *see also In re Foothills Texas, Inc.*,
7 408 B.R. 573, 579 (Bankr. D. Del. 2009) (holding that the “mere title of a person does not end
8 the inquiry.”). In this case, Michael Meacher was only an employee of the Debtor and not an
9 insider. Significantly, Michael Meacher was not “in the inner circle making the company’s
10 critical financial decisions.” *See, e.g., In re NMI Systems, Inc.*, 179 B.R. 357, 370 (Bankr.
11 D.D.C. 1995) (finding that a vice president was not an insider because he was conferred the title
12 “for purposes of marketing” only and as a direct report of another vice president and lacked
13 decision-making authority). As explained in the Disclosure Statement, the Debtor had no board
14 of directors and Piazza was the sole manager of the Debtor. *See* Disclosure Statement p. 24
15 (“Dr. Piazza founded the Debtor in 1996 and is the Debtor’s sole manager and owns 1% of the
16 voting shares of the Debtor. Because the Debtor is a limited liability company, it does not have
17 a board of directors. The Debtor’s other two Equity Holders, each of which holds 49.5% of non-
18 voting stock are VNV Dynasty Trust – FS I and VNV Dynasty Trust – FS II.”).

19 Because Michael Meacher was not an “insider” of the Debtor, the Disclosure Statement
20 is misleading to the extent that it characterizes Michael Meacher as a “former insider” of the
21 Debtor and purports to identify a potential fraudulent transfer claim against Michael Meacher.

22 **5. The Disclosure Statement Fails to Disclose any Specifics Regarding the**
23 **Consulting Agreement with Piazza or Piazza’s Ongoing Role in the**
24 **Reorganized Debtor**

25 The Disclosure Statement provides that that the Debtor’s current Chief Executive
26 Officer, Ignatius Piazza, will act as a consultant for the Reorganized Debtor after the Effective
27 Date. According to the Disclosure Statement, “Dr. Piazza will not hold a management position
28 but will, among other things, assist with marketing, prosecuting objections to claims and certain

1 Causes of Action, and will enter into a consulting agreement with the Reorganized Debtor.”
2 Disclosure Statement at p. 43. “Pursuant to the terms of a consulting agreement between the
3 New Equity Investor and the Debtor’s principal, Ignatius Piazza (the “Consulting Agreement”),
4 which Consulting Agreement will be filed with the Plan Supplement, the New Equity Investor
5 has agreed to fund up to \$1,000,000 in litigation costs to allow the Reorganized Debtor to
6 litigate the LVDF and Meacher Claims. Mr. Piazza will have litigation decision control with
7 respect to the LVDF and Meacher Claims, and Mr. Piazza and the Reorganized Debtor have
8 agreed to a division of any recoveries from the LVDF and Meacher litigation.” Disclosure
9 Statement at p. 43. The Disclosure Statement fails to disclose the material terms of the
10 Consulting Agreement or Piazza’s ongoing role with the Debtor. In short, the Disclosure
11 Statement fails to provide adequate information regarding Piazza’s continued involvement with
12 the Reorganized Debtor that would allow parties-in-interest to make an informed judgment
13 about the plan. *See* 11 U.S.C. § 1125(a)(1).

14 IV.

15 **RESERVATION OF RIGHTS**

16 Meacher reserves his right to make any and all confirmation objections in connection
17 with any confirmation hearing. Meacher specifically preserves all of his procedural and
18 substantive defenses and rights with respect to the value of the Collateral securing the Meacher
19 Claim, as well as any claim that may be asserted against Meacher by Front Sight Management
20 LLC or any other party in interest in Front Sight Management LLC’s bankruptcy case, or any
21 other person or entity whatsoever, including any setoff rights against the Debtor or any
22 challenge or defense to the jurisdiction of this Court over any such claim. Meacher further
23 reserves his right to supplement this Objection in the event that the Debtor modifies or otherwise
24 supplements the Disclosure Statement or the Motion.

25 V.

26 **CONCLUSION**

27 Based upon the foregoing, Meacher submits that the Disclosure Statement does not
28 contain adequate information, and thus approval must be denied.

1 DATED this 23rd day of September 2022.

2 FENNEMORE CRAIG, P.C.

3 By: /s/ Thomas H. Fell

4 Thomas H. Fell, Esq. (NSBN 3717)

5 9275 W. Russell Road, Suite 240

6 Las Vegas, Nevada 89148

7 Telephone: (702) 791-8224

8 tfell@fennemorelaw.com

9 - and -

10 WINTHROP GOLUBOW HOLLANDER, LLP

11 Marc J. Winthrop, Esq. (Cal. SBN 63218)

12 Garrick A. Hollander, Esq. (Cal. SBN 166316)

13 Matthew J. Stockl, Esq. (Cal. SBN 329366)

14 1301 Dove Street, Suite 500

15 Newport Beach, California 92660

16 Telephone: (949) 720-4100

17 mwinthrop@wghlawyers.com

18 ghollander@wghlawyers.com

19 mstockl@wghlawyers.com

20 *Counsel for secured creditor, Michael Meacher,*
21 *dba Bankgroup Financial Services*