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13 *VNV Dynasty Trust I, and VNV Dynasty Trust II*

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

16 In re:
17 FRONT SIGHT MANAGEMENT LLC,
18
19 Debtor.

20 Case No.: 22-11824-ABL
21 Chapter 11
22 **Confirmation Date:**
23 Date: November 18, 2022
24 Time: 9:30 a.m.

25 **STIPULATION REGARDING LAS VEGAS DEVELOPMENT FUND, LLC'S**
26 **TREATMENT UNDER DEBTOR'S SECOND AMENDED CHAPTER 11 PLAN OF**
27 **REORGANIZATION**

28 IT IS HEREBY STIPULATED and AGREED, between and among Front Sight Management LLC (the "Debtor"), by and through its counsel BG Law; Nevada PF, LLC ("Nevada PF"), by and through its counsel, Schwartz Law; Dr. Ignatius Piazza, Jennifer Piazza, VNV Dynasty Trust I, and VNV Dynasty Trust II (collectively, the "Piazzas"), by and through their counsel, Garman Turner Gordon; and Las Vegas Development Fund, LLC ("LVDF"), and together with Debtor, Nevada PF, and the Piazzas, the "Parties"), by and thorough its counsel, the Law Office of Brian D. Shapiro and Jones Lovelock, as follows:

The Chapter 11 Case

WHEREAS, on May 24, 2022 (the "Petition Date"), the Debtor filed a voluntary petition under chapter 11 of title 11 of the United Sates Code, thereby commencing the above-captioned case.

1 WHEREAS, on July 1, 2022, the Bankruptcy Court entered a *Final Order: (i) Authorizing*
2 *Debtor to Obtain Post-Petition Financing, (ii) Granting Liens and Administrative Expense Claims,*
3 *(iii) Authorizing Debtor’s Use of Cas Collateral, (iv) Modifying the Automatic Stay, and (v) Granting*
4 *Other Related Relief* [ECF No. 228] (the “DIP Order”), in which the Court approved debtor-in-
5 possession financing from FS DIP, LLC, an affiliate of Nevada PF.

6 WHEREAS, on October 3, 2022, the Debtor filed its *Second Amended Chapter 11 Plan of*
7 *Reorganization* [ECF No. 405] (the “Plan”), pursuant to which Nevada PF will obtain 100% equity
8 in the Reorganized Debtor in exchange for various contributions to the estate.

9 WHEREAS, in the Plan, the Debtor proposes the following treatment of any allowed claim
10 of LVDF:

- 11 a. The Debtor will establish a reserve for payment of any allowed LVDF claim in
12 the amount of \$11,805,706.01 (the “LVDF Claim Reserve”).
- 13 b. LVDF’s claim will accrue interest at the non-default rate of 6% set forth in the
14 underlying LVDF loan documents on an estimated claim amount of \$6.7 million
15 commencing January 2023 (the “LVDF Interest Provision”)

16 WHEREAS the Plan confirmation hearing is scheduled for November 18, 2022 (the
17 “Confirmation Hearing”).

18 **LVDF Litigation and Claims**

19 WHEREAS, as of the Petition Date, a case styled *Front Sight Management LLC v. Las Vegas*
20 *Development Fund LLC* was pending before the Eighth Judicial District Court, case no. A-18-781084-
21 B (the “Removed Litigation”), which case was removed by the Debtor to the Bankruptcy Court on
22 June 23, 2022, thereby commencing adversary proceeding no. 22-11824-ABL (the “Adversary
23 Proceeding”)

24 WHEREAS, at a September 9, 2022 oral ruling hearing, the Court denied LVDF’s motion
25 to remand the Adversary Proceeding for the reasons set forth on the Court’s record.

26 WHEREAS, on August 8, 2022, LVDF filed its proof of claim no. 284 (the “LVDF Claim”),
27 asserting a claim in the amount of \$11,655,706.01 with interest, costs, and attorneys’ fees accruing.

28

1 WHEREAS, on September 29, 2022, the Debtor filed its *Objection to Claim of Las Vegas*
2 *Development Fund, LLC* [ECF No. 393] (the “LVDF Claim Objection”) pursuant to which the Debtor
3 objected to the LVDF Claim and asserted certain claims as an offset to any allowed LVDF claim.

4 WHEREAS, on October 21, 2022, the Piazzas filed their *Objection to Claim of Las Vegas*
5 *Development Fund, LLC and Joinder in Debtor’s Objection to Claim of Las Vegas Development*
6 *Fund, LLC* [ECF No. 446] (the “LVDF Claim Objection Joinder,” and together with the LVDF
7 Claim Objection, the “Claim Objections”) pursuant to which they joined in the Debtor’s LVDF
8 Claim Objection and asserted their own objections to the LVDF Claim.

9 WHEREAS, the Debtor, Nevada PF, the Piazzas, and LVDF (a) have met and conferred and
10 engaged in good faith negotiations in an effort to avoid protracted litigation relating to Plan
11 confirmation, and (b) the Parties have agreed to certain treatment of the LVDF Claim in the Plan and
12 certain stipulations related to the Removed Litigation and LVDF Claim, in exchange for which LVDF
13 has agreed not to object to the Plan and to execute a yes vote in support of the Plan.

14 NOW, THEREFORE, the Parties hereby stipulate and agree as follows:

15 1. The Debtor and Nevada PF shall increase the LVDF Claim Reserve by \$750,000, to
16 a total of \$12,555,706.01. If the Plan is confirmed, then LVDF’s lien shall attach only to the Claim
17 Reserve of \$12,555,706.01.

18 2. The Plan confirmation order shall provide that the LVDF Interest Provision is stricken
19 in its entirety. For avoidance of doubt, any interest on the principal amount of the LVDF Claim shall
20 be determined in connection with the adjudication of the Claim Objections.

21 3. Except as stated herein, LVDF shall not be required to file an opposition to the Claim
22 Objections.

23 4. The Debtor, LVDF, and the Piazzas shall attend an in-person settlement conference
24 (the “Settlement Conference”) related to the LVDF Claim, Claim Objections, and Adversary
25 Proceeding on December 8 and 9, 2022 before the Honorable Peggy Leen. The cost of such
26 Settlement Conference (which shall be immediately due) shall be split 50/50 between LVDF, on the
27 one hand, and the Debtor, on the other hand

28

1 5. The Debtor, LVDF, and the Piazzas shall, no later than the conclusion of the
2 Confirmation Hearing, request that the Bankruptcy Court set a firm trial date at the earliest possible
3 date to resolve the LVDF Claim, the Claim Objections, and the Adversary Proceeding.

4 6. If a settlement is not reached at the Settlement Conference, the Parties shall stipulate
5 to a mutually agreeable discovery and briefing schedule related to the Claim Objections and the
6 Adversary Proceeding and if unable to stipulate, then the Court shall enter a discovery and briefing
7 schedule related to the Claim Objections and the Adversary Proceeding. The briefing schedules shall
8 set forth the deadlines for LVDF to file an opposition, if necessary, to the Claim Objections.

9 7. If a settlement is not reached at the Settlement Conference, then an in-person
10 deposition of Dr. Ignatius Piazza shall take place on January 4, 2023, and a deposition of Jennifer
11 Piazza will take place via zoom or some similar format on January 3, 2023. The Parties agree that
12 these shall be firm deposition dates and will not be continued or moved absent Court order or by
13 stipulation.

14 8. LVDF shall not object to the Plan.

15 9. LVDF shall submit a ballot voting in favor of the Plan by the voting deadline of
16 November 4, 2022.

17 10. The undersigned have authority on behalf of their respective Clients to enter into this
18 Stipulation.

19 DATED this 3rd day of November, 2022.

20 GARMAN TURNER GORDON LLP

 BG LAW LLP

21
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