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 the Liquidating Trustee of the Front Sight Creditors Trust

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

In re:
 Front Sight Management LLC,

 Debtor.

Case No. 22-11824-abl

Chapter 11

Hearing Date: January 9, 2023

Hearing Time: 9:30 a.m.

**LIQUIDATING TRUSTEE’S REPLY TO THE NON-FILED RESPONSE BY CLAIMANT
 GLENN ROBERTS TO THE FIFTH OMNIBUS OBJECTION (1) REDUCING AND
 ALLOWING CERTAIN MEMBER CLAIMS AND (2) DISALLOWING AND EXPUNGING
CERTAIN OTHER MEMBER CLAIMS**

Province, LLC, solely in its capacity as the duly authorized and acting Liquidating Trustee (the “Liquidating Trustee”) of the Front Sight Creditors Trust (the “Trust”), hereby submits its reply (the “Reply”) to the non-filed response (the “Response”) by Glenn Roberts (“Claimant” or “Roberts”) to the *Fifth Omnibus Objection (1) Reducing and Allowing Certain Member Claims and (2) Disallowing and expunging Certain Other Member Claims* [ECF No. 558] (the “Objection”) filed by Front Sight Management LLC (the “Debtor”).¹ The Response is attached hereto as **Exhibit**

1. In support of the Reply, the Liquidating Trustee respectfully represents as follows:

¹ As of the effective date of the Debtor’s confirmed chapter 11 plan of reorganization, the Liquidating Trustee was vested with sole authority to prosecute most objections to claims in this bankruptcy case.

1 **I. INTRODUCTION**

2 Roberts filed Proof of Claim 931-1 (“Claim 931”) in the amount of a \$49,500 general
3 unsecured claim. Claimant attached several pieces of paper to Claim 931—none of which provide
4 evidence sufficient to entitle Claimant to a \$49,500 claim in this bankruptcy case. Further, there are
5 no documents attached to the Response. As stated in the Objection, the Debtor’s books and records
6 reflect that Roberts paid \$395 for his memberships and membership upgrades. Roberts has failed to
7 provide this Court with any evidence that Roberts paid more than \$395 for his memberships and
8 membership upgrade/rewards, and notably, the Response acknowledges that Claimant only paid
9 \$395.

10 The Objection seeks only to limit Claim 931 to the amount that Claimant has actually paid.
11 In his Response, Roberts appears to think that he is entitled to a \$49,500 claim in this bankruptcy
12 case because the Debtor’s “Ambassador” memberships may have had a certain value at some point.
13 Roberts provides no evidence or case law in support of his assertion that his memberships and
14 upgrades/rewards entitled to him a \$49,500 claim against this estate.

15 **II. THE CLAIM IS EXCESSIVE AND CASE LAW SUPPORTS LIMITING THE**
16 **CLAIM TO THE AMOUNT PAID BY CLAIMANT TO THE DEBTOR**

17 In the Response, Claimant argues that the value of his claim should be based on the
18 advertised value of the memberships. The Debtor’s valuation of the benefits provided by the
19 membership and the cost that the Debtor advertised the memberships for has no bearing on the
20 rejection damages incurred by Claimant.

21 Claimant only paid \$395 for all memberships and membership upgrades, and notably, the
22 Response does not contest this fact. Claimant has not been damaged in the amount of \$49,500.
23 Bankruptcy courts routinely find that rejection damages from termination of memberships are based
24 on what the respective claimants paid for their memberships. *See In re Nittany Enterprises, Inc.*, 502
25 B.R. 447, 456-7 (Bankr. W.D. Va. 2012) (allowing a general unsecured claim only as to a pro-rated
26 amount of the membership purchase price); *In re Palmas del Mar Country Club, Inc.*, 443 B.R. 569
27 (Bankr. D. P.R. 2010) (disallowing priority claims filed by the country club’s members for refund of
28 the membership deposit and allowing the claims as general unsecured claims in the amount of the

1 membership deposit); *In re Yellowstone Mountain Club, LLC*, 469 Fed. Appx. 584 (9th Cir. 2012)
2 (holding that claimant’s allegations for damages above and beyond his \$250,000 membership
3 deposit were speculative and not provided for under the membership agreement).

4 For example, *In re Four Star Financial Services, LLC* (“*Four Star*”), 469 B.R. 30 (C.D. Cal.
5 2012), the claimant paid an initiation fee to purchase a transferable lifetime membership which
6 entitled the member to use various campgrounds for life. On average, the initiation fee was \$4,500
7 plus annual dues. *Id.* at 31. The claimant argued he was entitled to a priority claim and that “he
8 contracted for a transferable, lifetime membership, and the services that go with it, and at the time of
9 the bankruptcy he had not yet received all these services.” *Id.* at 33. In *Four Star*, the district court
10 noted that “the initiation fee paid here by Appellee entitled him to immediate use of the campground
11 network. With the payment of the initiation fee, Appellee was immediately a member. He was not
12 waiting for services to be rendered by TAI. Somewhat illogically, Appellee points to his lifetime
13 membership and transferability as evidence of undelivered services. Assuming this were true,
14 Appellee's bargained-for services would not be delivered for several generations. While not
15 discounting the premium placed on the longevity and transferability of the memberships, the Court
16 finds these benefits inherent in the membership Appellee received immediately, rather than
17 something incapable of delivery for several generations ... Appellee paid an initiation fee and was
18 immediately entitled to avail himself of the entire campground network. Appellee contracted with
19 his eyes wide open, and while he might not have foreseen the financial trouble of TAI, this was a
20 risk he took in signing up to be a member of the campground network.” *Id.* at 35. The district court
21 ultimately found that “the initiation fee entitled Appellee to the immediate use of the facilities. The
22 initiation fee was not paid for the future guarantee of services and monthly dues were required in
23 order to continue utilizing the campground network ... In neither case was the initiation fee offered
24 as security for the future provision of services; it was merely the price of admission. Thus, the
25 initiation fee was not a deposit and the bankruptcy court erred by giving Appellee’s Claim
26 priority...” *Id.* While the claimant was not seeking a claim more than what he had paid, the analysis
27 done by the district court is helpful in this matter as Roberts received his membership when
28 purchased and he took the risk when signing up with the Debtor that it may have unforeseen

1 financial trouble.

2 The ultimate burden of persuasion with respect to an objection to claim is always on the
3 claimant. *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991). Claimant has failed to
4 meet this burden. Claimant has failed to produce any evidence supporting the amount of Claim 931
5 or controverting the Debtor’s evidence regarding the amount Claimant paid for his memberships and
6 upgrades. Claim 931 is clearly excessive and Claimant’s allegations for damages above the amount
7 paid for his memberships and credits are speculative and not provided for under the terms of the
8 Debtor’s memberships. The request to reduce Claim 931 to the amount paid by Claimant is
9 supported by case law, and the Objection should be sustained.

10 **III. CONCLUSION**

11 For the foregoing reasons, the Liquidating Trustee respectfully requests that the Court sustain
12 the Objection in its entirety as it relates to Claim 931.

13 DATED: January 3, 2023

BG Law LLP

15 By: /s/ Susan K. Seflin

Susan K. Seflin

Jessica S. Wellington

16 Attorneys for Province, LLC, solely in its capacity as
17 the Liquidating Trustee of the Front Sight Creditors
18 Trust

EXHIBIT “1”

GLENN ROBERTS
BY: Glenn Roberts, Creditor Claimant, Pro Se
86 SEVEN STARS ROAD
SPRING CITY, PA 19475

GLENN ROBERTS)	UNITED STATES BANKRUPTCY
Claim No. 931-1)	COURT
Claim Amount \$49,500.00)	FOR THE DISTRICT OF NEVADA
)	
Claimant)	Case No. 22-11824-abl
)	
vs.)	Chapter 11
)	
Front Sight Management, LLC)	Hearing Date: January 9, 2023
c/o Jessica S. Wellington,)	Hearing Time: 9:30 a.m.
BG Law LLP)	
)	
Debtor)	
)	

**CLAIMANT’S OBJECTION TO THE PROPOSED TREATMENT,
REDUCING AND ALLOWING CLAIMANT’S CLAIM**

I, Glenn Roberts, hereby declare as follows:

1. I am the lawful claimant who purchased memberships from Front Sight Management, LLC. At the time of purchase, no litigation was envisioned. Accordingly, some of the following statements are ‘to the best of my knowledge’ and are true and accurate to the best of my recollection.

2. My initial claim dated 24 October 2022 is hereby incorporated by reference.

3. To the best of my knowledge, purchases were in the early to mid-2000s (approximately 2002-2005, shortly after the acquisition of the Nevada site), and multiple, at least four (4), Ambassador Memberships were purchased, with the Debtor's promise of lifetime benefits and privileges, including unlimited free training courses, waiver of range fees, reduced fees for lodging and material purchases. The Ambassador Membership was one of the upper-tier memberships offered. It was valued by the debtor at close to \$10,000 as justified in my initial claim dated 24 October 2022.

4. Memberships were available for me to sell at a profit. In addition, and as part of the purchase packages, I was awarded several lower-tier memberships and many (close to 100, to the best of my knowledge) individual training class certificates.

5. My purchases were based on the multiple representations of the debtor. I specifically recall that the substantial discount on my memberships was based on my pre-construction purchase.

6. Contrary to the debtor's beliefs stated in their FIFTH OMNIBUS OBJECTION, page 2, lines 5-9, the claimant has received no service or benefits from the debtor.


7. Claimant believes that the debtor's offered settlement of \$395 is based on the amount of the claimant's purchases, at the time purchases were made, thereby presenting the debtor with an interest-free loan for a period of nearly 20 years.

8. Claimant reasserts the initial basis of the claim.

9. If the honorable court awards a reduced judgment, the claimant requests a substantial percentage of the initial request of \$49,500.00. At a minimum, the honorable court should find that the amount of the claimant's initial investment would have doubled four times (based on the claimant's return on other investments during this period) during the duration of the said interest-free loan, to a value not less than \$6320.00.

10. I will neither be present nor represented in person at the hearing scheduled for January 9, 2023. I respectfully request that the court take action based on this submission.

I declare under the penalty of perjury of the laws of the United States of America the foregoing to be true and correct.

By:  28 Dec 2022
Glenn Roberts
Claimant, Pro Se

Submitted:

- 1) By email to JWellington@bg.law, Debtor's Attorney
- 2) By USPS: Jessica S. Wellington, BG Law LLP, 300 S. 4th Street, Suite 1550, Las Vegas, NV 89101
- 3) By USPS: United States Bankruptcy Court, Foley Federal Building 300 Las Vegas Boulevard South, Las Vegas, NV 89101-5833

CERTIFICATE OF SERVICE

I declare that I am over the age of 18 years and not a party to the within action. I am employed in the County of Los Angeles and my business address is 21650 Oxnard Street, Suite 500, Woodland Hills, California 91367.

On **January 3, 2023**, I served the following document:

LIQUIDATING TRUSTEE’S REPLY TO THE NON-FILED RESPONSE BY CLAIMANT GLENN ROBERTS TO THE FIFTH OMNIBUS OBJECTION (1) REDUCING AND ALLOWING CERTAIN MEMBER CLAIMS AND (2) DISALLOWING AND EXPUNGING CERTAIN OTHER MEMBER CLAIMS

Those designated "[NEF]" on the Court docket were served with the Notice by the Court via Electronic Mail, as follows:

(1) The Court’s CM/ECF List:

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(2) VIA U.S. First Class Mail:

Claimant
Glenn Roberts
86 Seven Stars Road
Spring City, PA 19475

(3) VIA E-MAIL:

Claimant
Glenn Roberts
Email: Glenn.Roberts@comcast.net

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made. I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

Executed January 3, 2023, at Woodland Hills, California.

/s/ Jessica Studley
JESSICA STUDLEY