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

In re:

CROWN MEDIA ENTERTAINMENT, LLC,

Debtor.¹

Case No. 25-15719-mkn
Chapter 11

Hearing Date: *OST REQUESTED*
Hearing Time: *OST REQUESTED*

**MOTION OF THE AD HOC GROUP OF FIRST LIEN LENDERS AND THE
ADMINISTRATIVE SUB-AGENT FOR FIRST LIEN LENDERS FOR AN ORDER
DISMISSING THE PURPORTED DEBTORS' CHAPTER 11 CASES AND DECLARING
THE PURPORTED DEBTORS' CHAPTER 11 PETITIONS VOID *AB INITIO***

¹ The debtor affiliates of Thrill Holdings LLC, along with the case numbers of their respective chapter 11 cases pending before this Court (collectively, the “*Chapter 11 Cases*”), are: Thrill Intermediate LLC, Case No. 25-15714-mkn; Superjacket Productions LLC, Case No. 25-15716-mkn; Purple Shark, LLC, Case No. 25-15717-mkn; Perfect Feet Productions, LLC, Case No. 25-15718-mkn; Crown Media Entertainment, LLC, Case No. 25-15719-mkn; Conduit Post, LLC, Case No. 25-15720-mkn; Nitrocross IP Holdings LLC, Case No. 25-15721-mkn; and Nitro Rallycross LLC, Case No. 25-15722-mkn (together with Thrill Holdings, LLC, the “*Debtors*”). The service address for each of the Debtors in these Chapter 11 Cases is 10801 W. Charleston Boulevard, Suite 600, Las Vegas, NV 89135. Copies of this Motion have been filed on the respective dockets of each of the Debtors’ in these Chapter 11 Cases.

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The ad hoc group of first lien lenders to Thrill Holdings LLC (the “*Ad Hoc Group*”) and CION Agent, LLC, in its capacity as sub-agent (in such capacity, the “*Agent*”) appointed by the Administrative Agent (as defined below), by and through their undersigned counsel, respectfully submit this motion (this “*Motion*”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “*Proposed Order*”): (a) (i) dismissing the Chapter 11 Cases with respect to Debtors Thrill Holdings LLC (“*Thrill Holdings*”), Superjacket Productions LLC (“*Superjacket*”), Purple Shark, LLC (“*Purple Shark*”), Perfect Feet Productions, LLC, Crown Media Entertainment, LLC, Conduit Post, LLC, Nitrocross IP Holdings LLC, and Nitro Rallycross LLC (collectively, the “*Purported Debtors*”)² and declaring the Purported Debtors’ chapter 11 voluntary petitions *void ab initio* pursuant to section 301 of title 11 of the United States Code (the “*Bankruptcy Code*”) because the petitions were filed without corporate authorization, or (ii) in the alternative, dismissing the Chapter 11 Cases with respect to the Purported Debtors for cause pursuant to section 1112(b) of the Bankruptcy Code, (b) ordering the Purported Debtors to reimburse the Ad Hoc Group and the Agent for their reasonable attorney fees and expenses related to filing and prosecuting this Motion and otherwise participating in the Chapter 11 Cases; and (c) granting other related relief. In support of this Motion, the Ad Hoc Group and the Agent respectfully state as follows:

PRELIMINARY STATEMENT

1. These Chapter 11 Cases were commenced by ousted managers who lacked any lawful authority to act on behalf of the Purported Debtors and who, instead, appear to have acted in bad faith to advance ulterior motives. Long-settled law establishes that a bankruptcy petition is valid only if it is authorized in accordance with the debtor’s governing documents and the law of its state of formation. Courts uniformly hold that when a purported debtor lacks such authority, the bankruptcy court has no jurisdiction and the petition is void *ab initio*. Consistent with this principle, the Ninth Circuit has confirmed that petitions filed without proper state-law authority are “null and void” and must be dismissed.

² For the avoidance of doubt, the Purported Debtors consist of each of the Debtors *except* for Thrill Intermediate LLC (“*Thrill Intermediate*”). The Debtors’ organizational structure is described in further detail below.

2. The relevant facts are indisputable. On September 23, 2025, following numerous payment and other defaults, the lenders directed the Administrative Agent (as defined below) to exercise its bargained-for rights under the Pledge Agreement (as defined below). Pursuant to that authority, the Administrative Agent, acting as proxy and attorney-in-fact for Thrill Intermediate, exercised the voting power and all other incidental ownership rights held by Thrill Intermediate with respect to its subsidiary, Thrill Holdings (the “**Voting Proxy**”).³ By doing so, the Administrative Agent stepped into Thrill Intermediate’s shoes as the sole shareholder of Thrill Holdings solely with respect to the voting and all other incidental rights held by Thrill Intermediate with respect to Thrill Holdings. In that capacity, the Administrative Agent used the Voting Proxy to: (a) amend and restate Thrill Holdings’ limited liability company agreement; (b) remove each of Thrill Holdings’ existing managers; and (c) appoint an independent manager—Steven Strom (“**Mr. Strom**”)—as the sole manager of Thrill Holdings.

3. Acting as the sole manager of Thrill Holdings, Mr. Strom immediately exercised control over Thrill Holdings’ subsidiaries. Specifically, he amended the operating agreement of Purple Shark, removed its existing managers, and appointed himself as sole manager. Because each of the other Purported Debtors is a member-managed limited liability company wholly owned, directly or indirectly, by Thrill Holdings, Mr. Strom’s appointment as sole manager of Thrill Holdings vested him with exclusive authority to manage those entities.

4. *In short, as of September 23, 2025—five days before these Chapter 11 Cases were filed—Mr. Strom was the only individual with authority to authorize a bankruptcy filing for any of the Purported Debtors. Notwithstanding these lawful governance changes and Mr. Strom’s exclusive authority, the ousted former management of the Purported Debtors, acting without power and in defiance of state law, wrongfully purported to authorize and file these Chapter 11 Cases.* The filings reflect nothing more than a bad-faith attempt to evade the Administrative Agent’s valid exercise of its Voting Proxy and serve no legitimate purpose under the Bankruptcy Code.

³ A voting proxy is the legal authority for a person or entity to act on behalf of, and exercise the voting power of, another person or entity—usually in the context of corporate governance.

5. As further discussed below, because the Purported Debtors' petitions were filed without proper authority, the Court lacks jurisdiction to administer these cases. The Court should, therefore, hold that the petitions filed on behalf of the Purported Debtors are *void ab initio* and dismiss the Chapter 11 Cases with prejudice with respect to the Purported Debtors. In the alternative, if the Court were to treat the petitions as validly commenced, the Court should dismiss the Chapter 11 Cases for cause pursuant to section 1112(b) of the Bankruptcy Code because they were filed in bad faith.

JURISDICTION AND VENUE

6. Solely for purposes of consideration of this Motion, and without waiver by the Ad Hoc Group or the Agent of any of their arguments set forth below: this Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334; this is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court; and venue is appropriate pursuant to 28 U.S.C. § 1408.

7. Pursuant to Rule 9014.2 of the Local Rules of Bankruptcy Practice for the United States Bankruptcy Court for the District of Nevada, the Ad Hoc Group and the Agent consent to the entry of a final order or judgment by the Court solely in connection with this Motion.

8. The statutory predicates for the relief requested herein are sections 301 and 1112(b) of the Bankruptcy Code.

BACKGROUND

I. The Parties

A. *The Purported Debtors*

9. Thrill Holdings and its affiliated Purported Debtors create and produce television content. More specifically, as described in the complaint the filed by Thrill Intermediate in the adversary proceeding styled *Thrill Intermediate LLC v. U.S. Bank Trust Company, National Association, et al.*, Case No. 25-01215 (MKN) [Docket No. 1] ("***Adversary Complaint***"):

[Thrill Intermediate], through its direct and indirect wholly owned subsidiaries, creates and produces television content, and has at time in its past produced live entertainment events. Most relevant to those proceedings, we produce *Ridiculousness* for MTV. *Ridiculousness* is a 30-minute studio clip show where host Rob Dyrdek (a former professional skateboarder and celebrity) and co-hosts riff on

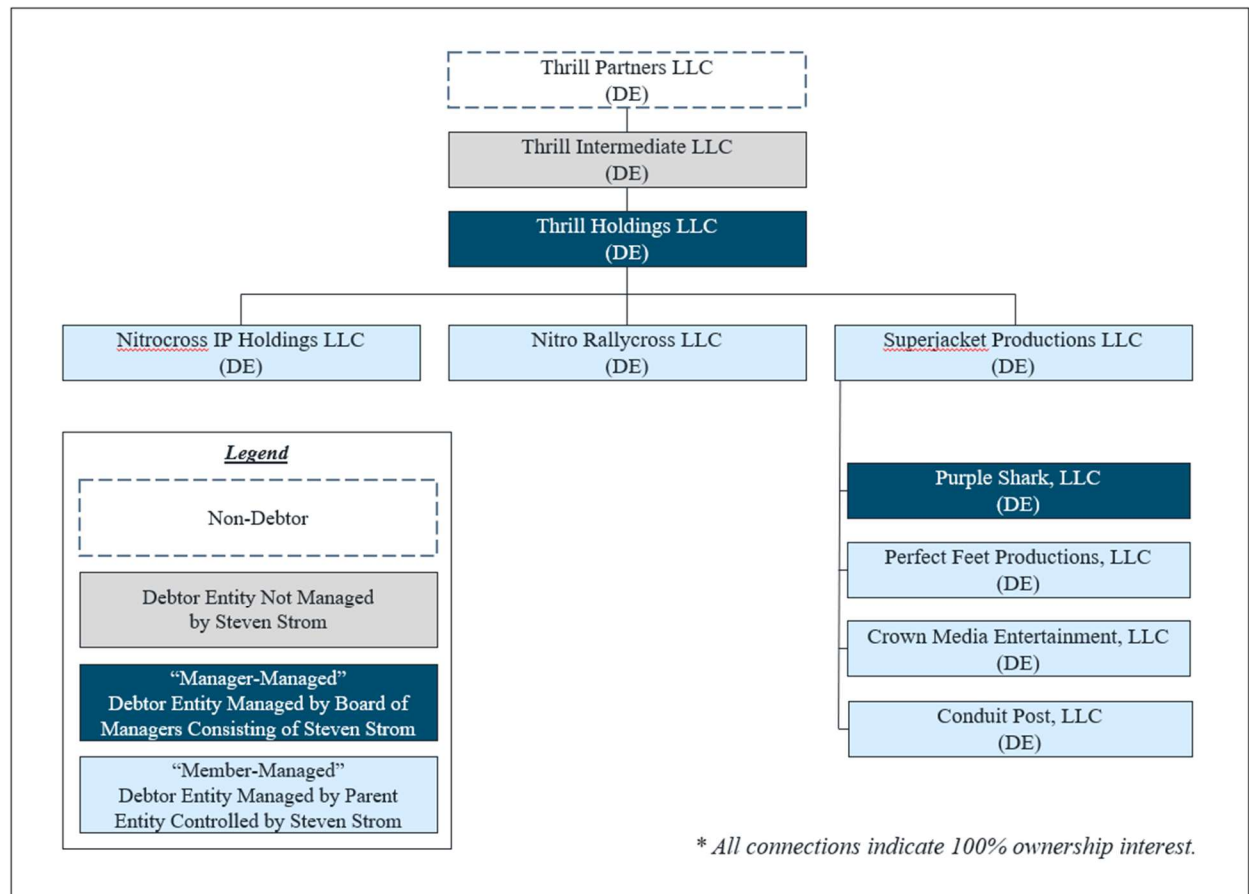
viral videos—stunts gone wrong, pratfalls, and everyday chaos—played on a giant video wall before a live audience. Generally, Ridiculousness constitutes approximately 50% of the programming on MTV, and often more. On September 30, 2025 ... MTV is scheduled to air Ridiculousness thirty (30) separate times.

Adversary Complaint ¶ 31.

10. Thrill Holdings is a Delaware limited liability company. Thrill Holdings owns 100 percent of the equity interests of Superjacket, Nitrocross IP Holdings LLC, and Nitro Rallycross LLC, each of which is a Delaware limited liability company. Superjacket in turn directly owns 100 percent of the equity interests of Purple Shark, a California limited liability company, and Perfect Feet Productions, LLC, Crown Media Entertainment, LLC, and Conduit Post, LLC, each of which is a Delaware limited liability company.

11. The following chart shows the corporate organizational structure of Thrill Holdings and its affiliates:

Figure 1: Illustrative Organizational Chart



12. As illustrated above and explained in further detail in Section IV, as of the filing of the Purported Debtors' chapter 11 petitions (the "**Petition Date**"), Thrill Holdings and Purple Shark were each managed by a board of managers (collectively, the "**Board-Managed Purported Debtors**") consisting of a single manager: Mr. Strom. As the sole manager of the Board-Managed Purported Debtors, Mr. Strom held the exclusive authority to act on behalf of Thrill Holdings and Purple Shark.

13. As of the Petition Date, the organizational documents of each of the other Purported Debtors provided that they were member-managed and had no board of managers (collectively, the "**Member-Managed Purported Debtors**"). On that same date, 100 percent of the membership interest in each Member-Managed Purported Debtor was owned, directly or indirectly, by Thrill Holdings, which is controlled by Mr. Strom in his capacity as Thrill Holdings' sole manager. Accordingly, management authority for the Board-Managed Purported Debtors and Member-Managed Purported Debtors—including the exclusive power to authorize any bankruptcy filing—rested with a single individual: Mr. Strom.

B. The Ad Hoc Group and the Agent

14. Thrill Holdings is the borrower under a Credit Agreement, dated as of May 27, 2022, by and among Thrill Holdings, as borrower, U.S. Bank Trust Company, National Association, as administrative agent (the "**Administrative Agent**"), and the other parties thereto from time to time (as amended by (i) an Amendment and Waiver to Credit Agreement, dated as of March 30, 2023, and (ii) a Limited Consent, Waiver and Second Amendment to Credit Agreement, dated as of February 7, 2025, and as may be amended from time to time, the "**Credit Agreement**"). A true and correct copy of the Credit Agreement is attached as Exhibit 1 to the *Declaration of David M. Hillman in Support of the Motion of the Ad Hoc Group of First Lien Lenders and the Administrative Sub-Agent for First Lien Lenders for an Order Dismissing the Purported Debtors' Chapter 11 Cases and Declaring the Purported Debtors' Chapter 11 Petitions Void Ab Initio* (the "**Hillman Declaration**"), filed contemporaneously herewith.

15. The members of the Ad Hoc Group are lenders (or managers or investment managers to entities that are lenders) to Thrill Holdings under the Credit Agreement.

16. The Credit Agreement provides that the Administrative Agent may delegate “any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent.” Credit Agreement § 8.05. The Administrative Agent has so delegated its duties, rights, and powers, including the right to submit and prosecute this Motion, to the Agent pursuant to a Sub-Agent Agreement (the “***Sub-Agent Agreement***”), dated as of October 1, 2025, between the Administrative Agent and the Agent. A true and correct copy of the Sub-Agent Agreement is attached to the Hillman Declaration as Exhibit 2.

II. The Purported Debtors Enter into a Prepetition Credit Facility with the Lenders and Grant Liens on Their Assets and Irrevocable Proxy Rights to the Administrative Agent.

17. Pursuant to the Credit Agreement, the Lenders (as defined in the Credit Agreement) provided the Credit Parties with a senior secured credit facility (the “***Prepetition Credit Facility***”). As of the today, the outstanding principal obligations under the Prepetition Credit Facility total approximately \$83.7 million, exclusive of accrued interest, fees, costs, and charges.

18. To secure their obligations under the Credit Agreement, Thrill Holdings and the other Credit Parties entered into a Security Agreement, dated as of May 27, 2022 (the “***Security Agreement***”), and a Security Agreement Supplement (the “***Security Agreement Supplement***”), dated as of January 30, 2023. True and correct copies of the Security Agreement and the Security Agreement Supplement are attached to the Hillman Declaration as Exhibit 3 and Exhibit 4, respectively. Under the Security Agreement (as supplemented by the Security Agreement Supplement), the Credit Parties granted the Administrative Agent a first-priority security interest in substantially all of their personal property, including, without limitation, accounts, receivables, chattel paper, money, deposit accounts, instruments, investment property, general intangibles, contracts, goods, and proceeds thereof.

19. In addition, Thrill Holdings and the other Credit Parties (collectively, the “***Pledgors***”) executed a Pledge Agreement, dated as of May 27, 2022 (the “***Pledge Agreement***”), and a Joinder Agreement to Pledge Agreement, dated as of January 30, 2023 (the “***Pledge Joinder***”). True and correct copies of the Pledge Agreement and the Pledge Joinder are attached to

the Hillman Declaration as Exhibit 5 and Exhibit 6, respectively. Under the Pledge Agreement (as supplemented by the Pledge Joinder), the Pledgors granted the Administrative Agent a continuing security interest in the Pledged Collateral (as defined in the Pledge Agreement), including a pledge by Thrill Intermediate of its 100 percent membership interests in Thrill Holdings.

20. The Pledge Agreement provides that, upon the occurrence and during the continuance of an Event of Default (as defined in the Credit Agreement) and after notice from the Administrative Agent of its intention to do so, the Administrative Agent may exercise, to the exclusion of the applicable Pledgor, the voting power and all other incidental rights of ownership with respect to the pledged equity owned by that Pledgor. Pledge Agreement § 4.2(a)-(b). In addition, each Pledgor granted the Administrative Agent an irrevocable (until the termination of the Pledge Agreement) proxy, coupled with an interest, to vote the pledged equity of each Pledgor. *Id.* Each Pledgor also appointed the Administrative Agent as its attorney-in-fact, with full authority to act in the place and stead of each Pledgor, and to take any action and to execute any instrument which the Administrative Agent may reasonably deem necessary or advisable to accomplish the purposes of the Pledge Agreement. Pledge Agreement § 5.1. The power of attorney is irrevocable (until the termination of the Pledge Agreement) and coupled with an interest. *Id.*

21. The liens granted in favor of the Administrative Agent in respect of the Prepetition Credit Facility are valid, binding, properly perfected, enforceable security interests with respect to the Collateral (as defined in the Credit Agreement).

III. Events of Default, Including Payment Defaults, Exist Under the Credit Agreement

22. Multiple Events of Default, including payment defaults, have occurred and are continuing under the Credit Agreement. Pursuant to a reservation of rights in respect of current default letter, dated July 3, 2025 (the “**July 2025 Default Letter**”), the Administrative Agent notified Thrill Holdings that the Credit Parties failed to make (i) the principal installment of the Term Loans (as defined in the Credit Agreement) due June 30, 2025, as required by Section 2.09(b) of the Credit Agreement, and (ii) the interest payment on the Loans (as defined in the Credit Agreement) due June 30, 2025, as required by Section 2.12 of the Credit Agreement. These failures to make required payments of principal and interest constitute Events of Default under Section

1 7.01(a) and 7.01(b) of the Credit Agreement, respectively. A true and correct copy of the July 2025
2 Default Letter is attached to the Hillman Declaration as Exhibit 7.

3 **IV. The Lenders and Administrative Agent Exercise Their Proxy Rights and**
4 **Reconstitute the Boards of Managers for Thrill Holdings and Purple Shark**

5 23. In light of the continuing Events of Default described above, on September 23, 2025,
6 the Lenders delivered a written direction instructing the Administrative Agent to exercise the
7 irrevocable proxy rights granted under the Pledge Agreement and to reconstitute the governance of
8 Thrill Holdings (the “*Direction Letter*”). A true and correct copy of the Direction Letter is attached
9 to the Hillman Declaration as Exhibit 8.

10 24. Acting pursuant to that direction, and Sections 4.2, 5.1, and 7.5 of the Pledge
11 Agreement, the Administrative Agent delivered a Notice of Exercise of Remedies (the “*Notice of*
12 *Exercise of Remedies*”) to Thrill Intermediate and Thrill Holdings, notifying them of the
13 Administrative Agent’s intention to exercise its Voting Proxy rights over Thrill Intermediate’s
14 membership interests in Thrill Holdings. The Notice of Exercise of Remedies was delivered by pre-
15 paid courier service to Thrill Holdings (the Borrower (as defined in the Credit Agreement)) and
16 Thrill Intermediate (the Pledgor) at the address set forth in Section 10.01 of the Credit Agreement.
17 This was in compliance with the terms of the Credit Agreement and the Pledge Agreement, and
18 there was no requirement that notice be hand-delivered to a particular individual. A true and correct
19 copy of the Notice of Exercise of Remedies is attached to the Hillman Declaration as Exhibit 9.
20 The Notice of Exercise of Remedies was also delivered by hand to then-counsel to Thrill
21 Intermediate and Thrill Holdings. A copy of the Notice of Exercise of Remedies was subsequently
22 delivered via email to Thrill Intermediate and Thrill Holdings at the e-mail address set forth in
23 Section 10.01 of the Credit Agreement, with copies to their then-counsel.

24 25. Subsequently, the Administrative Agent delivered to Thrill Intermediate and Thrill
25 Holdings, with copies to their then-counsel, a written consent (the “*Thrill Holdings Written*
26 *Consent*”) executed by the Administrative Agent as proxy and attorney-in-fact for Thrill
27 Intermediate (the sole member of Thrill Holdings) to amend and restate the existing limited liability
28 company agreement of Thrill Holdings (as amended and restated, the “*Thrill Holdings A&R*”

1 **LLCA**”), remove all existing managers from the board of managers of Thrill Holdings, and appoint
 2 Mr. Strom as the sole independent manager. Following the delivery of the Notice of Exercise of
 3 Remedies and the Thrill Holdings Written Consent, Mr. Strom, as the sole manager authorized to
 4 act for Thrill Holdings, also became exclusively responsible for the management and affairs of the
 5 subsidiary Member-Managed Purported Debtors, including Nitrocross IP Holdings LLC, Nitro
 6 Rallycross LLC, Superjacket, Perfect Feet Productions, LLC, Crown Media Entertainment, LLC,
 7 and Conduit Post, LLC. A true and correct copy of the Thrill Holdings Written Consent and the
 8 Thrill Holdings A&R LLCA are attached to the Hillman Declaration as Exhibit 10 and Exhibit 11,
 9 respectively.

10 26. Acting as the sole independent manager and authorized signatory of Thrill Holdings,
 11 Mr. Strom executed a member consent on behalf of Thrill Holdings, as the indirect owner of Purple
 12 Shark (the “**Purple Shark Member Consent**”), to amend and restate the existing limited liability
 13 company agreement of Purple Shark (the “**Original Purple Shark LLCA**” and, as amended and
 14 restated, the “**Purple Shark A&R LLCA**”), remove all existing managers of Purple Shark, and
 15 appoint Mr. Strom as the sole independent manager. True and correct copies of the Purple Shark
 16 Member Consent, the Original Purple Shark LLCA, the Purple Shark A&R LLCA are attached to
 17 the Hillman Declaration as Exhibit 12, Exhibit 13, and Exhibit 14, respectively.

18 27. Immediately after the exercise of the proxy and the governance actions described in
 19 above, Thrill Holdings, acting through Mr. Strom, sent a notice to Garman Turner Gordon LLP (the
 20 “**Notice to Legal Advisors**”) advising that all prior authorizations and directions granted to Garman
 21 Turner Gordon LLP or any other legal counsel with respect to any Purported Debtor were revoked
 22 and that Mr. Strom was the only individual authorized to direct legal matters on behalf of the
 23 Purported Debtors. A similar notice was sent to the Purported Debtors’ Chief Restructuring Officer
 24 (the “**Notice to CRO**”). A true and correct copy of the Notice to Legal Advisors and the Notice to
 25 CRO are attached to the Hillman Declaration as Exhibit 15 and Exhibit 16, respectively.

26 **V. The Purported Debtors File These Chapter 11 Cases Five Days After the Proxy**
 27 **Exercise**

28 28. Five days after the Voting Proxy was exercised, the Purported Debtors filed these

Chapter 11 Cases.

29. Voluntary petitions were filed by Garman Turner Gordon LLP, purporting to act as the Purported Debtors' counsel despite the fact that the firm's prior authority and directions had been revoked and terminated. According to the purported "board resolutions" attached to the petitions, the filings were directed by individuals who had already been removed from the boards of Thrill Holdings and Purple Shark. Moreover, no written consent or resolution authorizing a bankruptcy filing was validly adopted by the applicable governing body of Thrill Holdings, Purple Shark, or the other Purported Debtors, since the sole independent manager, as the sole party empowered to authorize or ratify a bankruptcy filing, did not authorize or ratify the filings.

30. The Chapter 11 Cases were each commenced by the filing of bare-bones petitions, with no schedules, statements of financial affairs, motions, or other customary supporting materials. Several of the petitions are defective in multiple respects, including, among other things (a) lacking a disclosure of Debtors' counsel's compensation, (b) lacking a list of the Debtors' equity security holders, and (c) lacking federal tax identification numbers for the Debtors. To date, the Purported Debtors have not filed any first-day motions or other pleadings seeking authority to operate in chapter 11. The Debtors have not filed a first-day declaration setting out any legitimate need or purpose for the Debtors to reorganize under chapter 11.

BASIS FOR RELIEF

I. The Purported Debtors' Chapter 11 Filings Were Made *Ultra Vires* and Without Proper Corporate Authorization, And Thus Were Improper Under Section 301 of the Bankruptcy Code.

A. The Purported Debtors' Chapter 11 Voluntary Petitions are Null and Void Because the Purported Debtors Lacked the Appropriate Corporate Authority to File the Petitions.

31. Section 301 of the Bankruptcy Code permits a voluntary chapter 11 case to be commenced "by a filing with the bankruptcy court of a petition under such chapter *by an entity that may be a debtor* under such chapter." 11 U.S.C. § 301(a) (emphasis added). The Supreme Court and the Ninth Circuit have long held that entities can file voluntary petitions only if the agents acting on their behalf have the proper authority to do so, which is determined by the governing organizational documents and applicable state law. *Price v. Gurney*, 324 U.S. 100, 106-07 (1945) (ruling that where "those who purport to act on behalf of the corporation have not been granted

1 authority by local law to institute the proceedings, the bankruptcy court is without jurisdiction to
 2 entertain the petition” and “has no alternative but to dismiss the petition”); *In re Sino Clean Energy,*
 3 *Inc.*, 901 F.3d 1139, 1141-42 (9th Cir. 2018) (holding that former CEO and former directors could
 4 not, after being removed, file bankruptcy petitions for a corporate debtor); *see also Burks v. Lasker*,
 5 441 U.S. 471, 478 (1979) (“Corporations are creatures of state law ... and it is state law which is
 6 the font of corporate directors’ powers.”) (internal quotations omitted); *Oil & Gas Co. v. Duryee*,
 7 9 F.3d 771 (9th Cir. 1993) (finding that company president’s action purporting to put company in
 8 bankruptcy was null and void where a prior order enjoined the act).

9 32. The Ninth Circuit has applied this principle strictly. In *In re Sino Clean Energy, Inc.*,
 10 the court affirmed dismissal of a chapter 11 petition filed by ousted directors after a Nevada state
 11 court had installed a receiver with authority over the company. 901 F.3d at 1141-42. The Ninth
 12 Circuit described the filing board as “impostors” and emphasized that state law determines who
 13 may authorize a filing; a bankruptcy petition filed without such authority is “null and void” and
 14 must be dismissed. *Id.* at 1142-43 (citing *Duryee*, 9 F.3d at 772-73). Other circuits are in accord
 15 that lack of corporate authority compels dismissal. *See In re Franchise Services of North America,*
 16 *Inc.*, 891 F.3d 198, 207 (5th Cir. 2018) (petitioners must have corporate authority at the time of
 17 filing; otherwise bankruptcy court is compelled to dismiss) (citing *Price*, 324 U.S. at 106-07);
 18 *Hager v. Gibson*, 108 F.3d 35, 39-41 (4th Cir. 1997) (state law controls; unauthorized filing must
 19 be dismissed unless duly ratified); *Keenihan v. Heritage Press, Inc.*, 19 F.3d 1255, 1258-59 (8th
 20 Cir. 1994) (reversing and directing dismissal for lack of state-law authorization).

21 33. Recent decisions continue to enforce these principles. In *In re 3P Hightstown, LLC*,
 22 631 B.R. 205 (Bankr. D.N.J. 2021), the bankruptcy court dismissed a chapter 11 petition where the
 23 operating agreement for a limited liability company required consent of the preferred equity class
 24 for any bankruptcy filing. The court emphasized that “[s]hould a court find that a debtor, who acts
 25 on behalf of a corporation, filed bankruptcy without the prerequisite authority, the court would be
 26 required to dismiss that unauthorized filing even if § 1112(b) were not in the Bankruptcy Code.”
 27 *Id.* at 210-11. Likewise, in *In re Apex Brittany MO, LP*, No. 23-11463 (CTG), 2023 WL 8205669
 28 (Bankr. D. Del. Nov. 27, 2023), the court dismissed a petition where a federal district court

1 receivership order had vested exclusive authority in a receiver and enjoined the debtor from filing
2 under chapter 11. The bankruptcy court held that it could not entertain a collateral attack on that
3 injunction, and that because the petition was filed by a party stripped of authority under state law
4 and the receivership order, dismissal was mandatory. *Id.* at *3-4.

5 34. Together, these authorities confirm that the threshold question is not whether a
6 bankruptcy might serve some purpose, but whether the petition was duly authorized under state law
7 and governing documents. Where such authorization is absent, the case must be dismissed, and
8 courts routinely describe such filings as unauthorized, void, and of no effect.

9 ***B. Delaware Law and the Thrill Holdings Governance Documents***

10 35. As applied here, Delaware law governs the corporate authority of Thrill Holdings
11 because it is organized as a Delaware limited liability company. Delaware law allocates
12 management authority in accordance with the company's operating or LLC agreement, and
13 otherwise to members or managers as that agreement provides. 6 Del. Code Ann. § 18-402.
14 Delaware public policy gives "maximum effect to the principle of freedom of contract and to the
15 enforceability of limited liability company agreements." 6 Del. Code Ann. § 18-1101(b). Consistent
16 with these principles, courts applying Delaware law look first to the putative debtor's limited
17 liability company agreement to determine who may authorize a bankruptcy filing and dismiss cases
18 filed without the required state-law authority. *See In re Intervention Energy Holdings, LLC*, 553
19 B.R. 258, 262-66 (Bankr. D. Del. 2016) (distinguishing unenforceable "golden share" devices while
20 reaffirming that state law determines corporate authority); *In re Apex Brittany MO, LP*, No. 23-
21 11463 (CTG), 2023 WL 8205669 at *3-4 (Bankr. D. Del. Nov. 27, 2023) (giving preclusive effect
22 to a decision issued by the U.S. District Court that precluded the debtor's management from filing
23 a voluntary bankruptcy petition); *3P Hightstown*, 631 B.R. at 209-13 (applying Delaware limited
24 liability company law; enforcing preferred-class consent prerequisite and dismissing where consent
25 was not obtained).

26 36. On September 23, 2025, following the exercise of the Voting Proxy under the Pledge
27 Agreement, the Thrill Holdings A&R LLCA was executed. The Thrill Holdings A&R LLCA
28 provides that the business and affairs of Thrill Holdings will be managed exclusively by a board of

managers, which is “solely responsible for all aspects of the operation of [Thrill Holdings] and shall have the authority to bind [Thrill Holdings],” and permits delegation only as the board of managers determines. Thrill Holdings A&R LLCA § 5.1. In connection with the same Voting Proxy, the Thrill Holdings Written Consent removed the existing managers and appointed Mr. Strom as the sole manager of Thrill Holdings. Thrill Holdings Written Consent at 2. The Thrill Holdings Written Consent also authorized Mr. Strom to provide notice to the Purported Debtors’ law firms and other advisors of the change in authorized representative and that all prior authorizations and directions were revoked. *Id.* at 2-3.

37. Under Delaware law, the Thrill Holdings A&R LLCA, and the Thrill Holdings Member Consent, only the duly constituted board of managers of Thrill Holdings could authorize any bankruptcy petition for Thrill Holdings. 6 Del. Code Ann. §§ 18-402, 18-1101(b); Thrill Holdings A&R LLCA § 5.1; Thrill Holdings Member Consent at 3. Any bankruptcy petition filed by ousted managers or unauthorized officers without the approval of Mr. Strom was *ultra vires* and must be dismissed. *See Intervention Energy*, 553 B.R. at 262-66; *Apex Brittany*, 2023 WL 8205669 at *3-4 (recognizing dismissal when the signer lacks authority and rejecting collateral attacks on governing orders); *3P Hightstown*, 631 B.R. at 209-13 (terms of Delaware LLC agreement “must control”; filing in violation of consent requirement “must be dismissed”).

C. California Law and the Purple Shark Governance Documents

38. Like Delaware, California law looks first to the operating agreement to determine who has authority to act for a limited liability company. *See* Cal. Corp. Code § 17701.10(a). In a manager-managed limited liability company, all matters relating to the company’s activities are decided exclusively by the managers. *See* Cal. Corp. Code § 17704.07(c)(1). Actions outside of the ordinary course require the consent of all members, unless the operating agreement provides otherwise. *See* Cal. Corp. Code § 17704.07(c)(4). In *In re SSRE Holdings, LLC*, No. 21-10327 (WB), 2021 WL 3829303, at *8-10 (9th Cir. BAP Aug. 26, 2021), the Bankruptcy Appellate Panel held that where an operating agreement granted the manager “full, complete and exclusive” authority to manage the company’s affairs, that broad delegation encompassed the power to file bankruptcy, even absent an express reference to bankruptcy. The Ninth Circuit has held that state

1 law determines who may authorize a bankruptcy filing and that a petition filed by unauthorized
 2 actors is “null and void.” *In re Sino Clean Energy, Inc.*, 901 F.3d at 1144-46. Bankruptcy courts in
 3 California apply the same rule. In *In re Lake County Grapevine Nursery Operations*, 441 B.R. 653,
 4 654 (Bankr. N.D. Cal. 2010), the court dismissed a case where the individuals signing the petition
 5 lacked authority, emphasizing that “[a]ny person filing a voluntary bankruptcy petition on behalf
 6 of [an entity] must be duly authorized to do so; if [that] person lacks authority, then the court has
 7 no alternative but to dismiss the petition.”

8 39. Purple Shark was a Board-Managed Purported Debtor at the time of the Voting
 9 Proxy exercise. Section 14(a) of the Original Purple Shark LLCA provides that, except as otherwise
 10 expressly set forth, all decisions with respect to the management of the company’s business and
 11 affairs shall be made by the Managers designated by the Member (each as defined in the Original
 12 Purple Shark LLCA), and that the Managers have the authority to bind the company. Section 14(e)
 13 provides that Managers may be removed and replaced by the Member. Section 15 authorizes the
 14 Managers to appoint officers and delegate authority as they determine. Section 25(c) specifies that
 15 the agreement is governed by California law, and Section 25(f) provides for amendment in writing.
 16 Original Purple Shark LLCA §§ 14(a), 14(e), 15, 25(c), 25(f).

17 40. Following the valid proxy exercise that appointed Mr. Strom as the sole manager of
 18 Thrill Holdings, Mr. Strom acted on behalf of Thrill Holdings and its wholly owned subsidiary
 19 Superjacket⁴ to execute the Purple Shark Member Consent and to enter into the Purple Shark A&R
 20 LLCA. The Purple Shark Member Consent removed the prior managers of Purple Shark and
 21 appointed Mr. Strom as its sole manager. Thrill Holdings also caused notice to be sent to the
 22 Purported Debtors’ outside advisors making clear that only Mr. Strom was authorized to direct legal
 23 matters on behalf of Purple Shark.

24 41. Under California law, the governing Purple Shark A&R LLCA, and the Purple
 25 Shark Member Consent, only the duly appointed Manager had authority to authorize a bankruptcy
 26 filing. Cal. Corp. Code § 17704.07(c)(4); Purple Shark A&R LLCA § 14. Any petition filed by
 27

28 ⁴ As noted above, Superjacket is the sole member of Purple Shark.

former managers or other displaced insiders, after their removal, was unauthorized under California law and the governing agreement. As made clear by the Ninth Circuit, such a petition is “null and void” and must be dismissed. *In re Sino Clean Energy, Inc.*, 901 F.3d at 1146.

D. New York Law and the Validity of the Proxy Exercise

42. As set forth above, Delaware and California law require dismissal where a bankruptcy petition is filed without proper corporate authorization under the governing limited liability company agreements. Here, that analysis necessarily implicates the validity of the governance changes that appointed Mr. Strom as the sole independent manager of Thrill Holdings and Purple Shark. The proxy exercise that accomplished these changes was itself valid and enforceable under New York law, which governs the Pledge Agreement.

43. The Pledge Agreement provides that it is to be construed and enforced under New York law. *See* N.Y. Gen. Oblig. Law § 5-1401 (providing that parties to any contract involving at least \$250,000 may agree that New York law will govern their rights and duties, whether or not the contract bears a reasonable relation to New York). The New York Court of Appeals, New York’s highest court, has enforced that statutory mandate, holding that where a contract contains an ordinary New York choice-of-law clause for a transaction exceeding \$250,000, New York substantive law applies without the need for a conflicts analysis. *IRB-Brasil Resseguros, S.A. v. Inepar Invs., S.A.*, 20 N.Y.3d 310, 312-315 (2012) (explaining that to require a conflicts analysis despite the parties’ expressed choice would “frustrate the Legislature’s purpose of encouraging a predictable contractual choice of New York commercial law and of eliminating uncertainty regarding the governing law”). The enforceability of the Voting Proxy rights at issue is therefore determined under New York law.

44. New York law expressly recognizes irrevocable proxies that are “coupled with an interest.” N.Y. Bus. Corp. Law § 609(f). Section 609 provides that a proxy is irrevocable if it states that it is irrevocable and is held by, among others, a pledgee or a creditor who extends or continues credit in consideration of the proxy. Such a proxy remains irrevocable until the underlying secured obligations are satisfied. *Id.* § 609(g). The Pledge Agreement meets these requirements: it grants the Administrative Agent an express irrevocable proxy, states that the proxy is “coupled with an

1 interest,” and ties the proxy to the lenders’ security interest in 100 percent of the pledged equity of
2 Thrill Holdings. *See* Pledge Agreement §§ 4.2(a), 5.1 (granting the Administrative Agent an
3 irrevocable proxy and power of attorney, expressly “coupled with an interest,” to exercise voting
4 rights with respect to pledged equity upon an Event of Default).

5 45. The Uniform Commercial Code, as adopted in New York, further supports this
6 conclusion. Section 9-607(a)(3) provides that, if so agreed, a secured party may “exercise the rights
7 of the debtor with respect to the collateral.” The New York Court of Appeals has confirmed that
8 such bargained-for rights are enforceable, holding that a secured creditor may contract to exercise
9 a debtor’s rights in collateral even before default. *Worthy Lending LLC v. New Style Contractors,*
10 *Inc.*, 39 N.Y.3d 99, 106-07 (2022) (reversing dismissal and holding that under §§ 9-607 and 9-406
11 a security interest is treated as an assignment, and a secured party may enforce the debtor’s rights
12 directly against account debtors where the parties so agreed); *see also Matter of Chase Manhattan*
13 *Bank v. State of New York*, 40 N.Y.2d 590, 592-93 (1976) (recognizing that, under the New York
14 Uniform Commercial Code, a security interest operates as an assignment). The Pledge Agreement
15 reflects just such an agreement: the pledgors expressly authorized the Administrative Agent to
16 exercise the voting rights and all other incidental rights of ownership with respect to the pledged
17 equity during the continuance of an Event of Default.

18 46. Bankruptcy courts have also applied these principles in cases nearly identical to this
19 one. In *In re CII Parent, Inc.*, No. 22-11345 (LSS), 2023 WL 2926571 (Bankr. D. Del. Apr. 12,
20 2023), the Bankruptcy Court for the District of Delaware upheld a secured lender’s prepetition
21 exercise of irrevocable proxy rights over the debtor’s subsidiaries. The court held that the voting
22 proxies were valid and enforceable, that they remained in effect until the secured obligations were
23 paid in full, and that the creditor’s proxy notice had terminated the debtor’s ability to vote the
24 pledged equity as of the petition date. *Id.* at *6-7, *11-12. Because the voting rights associated with
25 the pledged equity were not property of the estate, the automatic stay did not apply, and the debtor’s
26 characterization of the exercise as a “hostile takeover” was rejected. *Id.* at *7-9, *16-17.

27 47. Additionally, to the extent that New York’s statutory scheme for ordinary powers of
28 attorney might otherwise impose additional execution or formalization requirements, those

provisions do not apply to the proxy rights at issue here. Section 5-1501C of New York's General Obligations Law expressly excludes from its scope powers "coupled with an interest," powers granted to creditors in connection with a credit transaction, and proxies delegating voting or management rights in an entity. *See* N.Y. Gen. Oblig. Law § 5-1501C(1)(a)-(c), (2). Because the proxy granted in the Pledge Agreement falls squarely within these exclusions, it is enforceable under New York law as written, without the need to satisfy any of the additional statutory formalities that apply to ordinary powers of attorney.

48. The Pledge Agreement requires that notice be provided before exercising the Voting Proxy. *See* Pledge Agreement § 4.2. That section incorporates the notice provision of Section 10.01 of the Credit Agreement, which requires notice to be sent "c/o Fiume Capital, 10801 W. Charleston Boulevard, Las Vegas, Nevada, Attention: David Hirschfeld." Notice may be given by multiple means, including e-mail and courier. Pledge Agreement § 7.5. Under the Pledge Agreement, notice by courier is "deemed given when received," provided it is "properly addressed and sent by pre-paid courier service." *Id.*

49. On September 23, 2025, the Administrative Agent sent the Notice of Exercise of Remedies by pre-paid courier to Thrill Intermediate (the applicable Pledgor) at the contractually designated address. The package was properly addressed in accordance with Section 7.5 of the Pledge Agreement and Section 10.01 of the Credit Agreement. A separate courier package containing the Thrill Holdings Written Consent, effectuating the governance changes described above, was also delivered. As an additional safeguard, the Administrative Agent also transmitted the Notice of Exercise of Remedies and the Thrill Holdings Written Consent by e-mail to David Hirschfeld at 2:18 p.m. (prevailing Eastern time) on September 23, 2025. True and correct copies of those emails are attached to the Hillman Declaration as Exhibit 17. The Notice of Exercise of Remedies which was delivered by courier fully complied with the Pledge Agreement.

50. Thrill Intermediate argues that notice was defective because the courier delivered the package to Fiume Capital's receptionist rather than directly to David Hirschfeld. *See* Adversary Complaint ¶¶ 43-60. This argument is meritless. The "Attention" line exists solely for administrative convenience; it does not transform an individual into the legal recipient. The entity

1 entitled to notice was Thrill Intermediate, the owner of the pledged interest and grantor of the
2 Voting Proxy. Delivery to the contractually designated address constituted proper notice under New
3 York law.

4 51. The New York Uniform Commercial Code (the “*UCC*”) confirms that a notice is
5 received when it is either: (1) actually brought to the recipient’s attention; or (2) “duly delivered in
6 a form reasonable under the circumstances at the place of business through which the contract was
7 made or at another location held out ... as the place for receipt of such communications.” UCC §
8 1-202(e). The Fiume Capital office was the precise “location held out” for receipt of
9 communications by the Credit Agreement and, by incorporation, the Pledge Agreement. Nothing
10 in the statute requires personal delivery to the named individual in an attention line where the notice
11 was sent to the person entitled to receive notice (here, Thrill Intermediate) at the address specified
12 by contract.

13 52. UCC § 1-202(f) further provides that notice to an organization is effective “from the
14 time it would have been brought to the attention of the individual conducting the transaction if the
15 organization had exercised due diligence.” Due diligence requires reasonable internal routines for
16 forwarding communications, and the statute expressly provides that organizations act through
17 individuals whose duties include handling such communications. Here, the receptionist and
18 mailroom staff of Fiume Capital obviously had the regular duty of receiving deliveries and ensuring
19 that they are received by addressees. Their receipt of the Notice therefore constituted legally
20 sufficient notice under the UCC.

21 53. State courts applying their Uniform Commercial Codes reach the same conclusion.
22 In *May v. G.M.B., Inc.*, 105 Nev. 446, 453 (1989), the Nevada Supreme Court held that an
23 organization had notice under the Nevada UCC when an employee, whose regular duties included
24 receiving communications, accepted delivery. The court explained that the UCC imputes
25 knowledge to the principal when receipt falls within the scope of the agent’s duties. *Id.* In other
26 words, an organization fails to exercise “due diligence” under UCC § 1-202(f) if it does not
27 maintain routines to ensure prompt internal communication of received notices. *See* 1B David
28 Frisch, *Anderson on the Uniform Commercial Code* § 1-202:56 [Rev] (3d ed. 2024).

1 54. The Notice of Exercise of Remedies was effective upon delivery by courier to Thrill
2 Intermediate, c/o Fiume Capital, at the contractually designated address. Under the Pledge
3 Agreement, the Credit Agreement, and the UCC, no additional requirement exists for personal
4 delivery to the individual named in the attention line. Any contrary assertion is contrary to both the
5 governing contracts and settled law. It would also make no sense. To state the obvious, the need to
6 give notice is sometimes exigent. The ability to deliver effective notice cannot depend on whether
7 the attention party happens to be physically present at the time a notice is hand-delivered to the
8 contractually specified address. Such a requirement would impose an obligation—to ensure the
9 physical presence of the attention party at the time a notice is hand-delivered—that is nowhere to
10 be found in the contracts at issue or applicable law.

11 55. The Notice of Exercise of Remedies expressly advised that the Administrative
12 Agent intended to exercise its proxy rights to the exclusion of the pledgor. Delivery of the notice
13 satisfied the “shall have notified” condition of Section 4.2 of the Pledge Agreement, and the
14 subsequent governance actions at Thrill Holdings were therefore fully authorized.

15 56. The Pledge Agreement is governed by New York law, which expressly enforces
16 irrevocable proxies “coupled with an interest” in favor of creditors. The proxy rights granted under
17 the Pledge Agreement were irrevocable and tied to the lenders’ security interest, and the
18 Administrative Agent complied with the Pledge Agreement’s notice requirements. Accordingly,
19 the Voting Proxy was valid and effective. The Voting Proxy lawfully reconstituted the governance
20 of Thrill Holdings, appointed Mr. Strom as its sole independent manager, and revoked all prior
21 authorizations. Acting in that capacity, Mr. Strom then executed the Purple Shark Member Consent
22 to amend the Purple Shark operating agreement and replace its managers. As a result, only Mr.
23 Strom had authority to act for the Purported Debtors at the time of the purported bankruptcy filings.
24 Those filings were unauthorized and therefore ineffective.

25 **II. Alternatively, the Purported Debtors’ Chapter 11 Cases Were Filed in Bad Faith and**
26 **Should Be Dismissed for Cause Pursuant to Section 1112(b) of the Bankruptcy Code.**

27 57. Even if the filing of the Chapter 11 Cases of the Purported Debtors were authorized,
28 the Chapter 11 Cases should still be dismissed because they serve no legitimate bankruptcy purpose

1 and were filed to frustrate the Administrative Agent’s lawful exercise of remedies, litigate a two-
 2 party dispute in a forum other than the one agreed to by the parties in their contracts, and place out-
 3 of-the-money equity in control of the Purported Debtors’ assets rather than under the control of a
 4 lawfully appointed independent director. Bankruptcy Code. Section 1112(b) provides, in relevant
 5 part:

6 [O]n request of a party in interest, and after notice and a hearing, the court shall
 7 convert a case under this chapter to a case under chapter 7 or dismiss a case under
 8 this chapter, whichever is in the best interests of creditors and the estate, for cause
 unless the court determines that the appointment under section 1104(a) of a trustee
 or an examiner is in the best interests of creditors and the estate.

9 11 U.S.C. § 1112(b)(1). Section 1112(b) further provides a non-exclusive list of factors that
 10 constitute “cause” to dismiss a chapter 11 case. 11 U.S.C. § 1112(b)(4). Although the statute does
 11 not explicitly list “bad faith” as one of the enumerated factors, “courts have overwhelmingly held
 12 that a lack of good faith in filing a chapter 11 petition establishes cause for dismissal.” *Marsch v.*
 13 *Marsch (In re Marsch)*, 36 F.3d 825, 828 (9th Cir. 1994); *see Marshall v. Marshall (In re Marshall)*
 14 721 F.3d 1032, 1047 (9th Cir. 2013); *In re Mense*, 509 B.R. 269, 277 (Bankr. C.D. Cal. 2014)
 15 (citing *In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 118 (3d Cir. 2004) (“Chapter 11
 16 bankruptcy petitions are subject to dismissal under 11 U.S.C. § 1112(b) unless filed in good
 17 faith[.]”).

18 58. The question of a debtor’s good faith “depends on an amalgam of factors and not
 19 upon a specific fact,” *In re Marsch*, 36 F.3d at 828, and “the courts may consider any factors which
 20 evidence ‘an intent to abuse the judicial process and the purposes of the reorganization provisions,’”
 21 *In re Marshall*, 721 F.3d at 1048 (quoting *Phoenix Piccadilly, Ltd. v. Life Ins. Co. of Va. (In re*
 22 *Phoenix Piccadilly, Ltd.)*, 849 F.2d 1393, 1394 (11th Cir. 1988)). Generally, a chapter 11 case is
 23 not filed in good faith if it represents an attempt “to unreasonably deter and harass creditors” or to
 24 “achieve objectives outside the legitimate scope of the bankruptcy laws.” *In re Marsch*, 36 F.3d at
 25 828. While the Ninth Circuit has not adopted an exhaustive list of factors for determining whether
 26 a debtor’s motives are within the legitimate scope of the Bankruptcy Code, courts within the Ninth
 27 Circuit and elsewhere have uniformly held that tactical chapter 11 filings designed merely to avoid
 28

obligations to creditors, where the debtor is not otherwise in need of reorganization, are outside of the legitimate scope of chapter 11 and warrant dismissal. *See, e.g., Connell v. Coastal Cable T.V., Inc. (In re Coastal Cable T.V., Inc.)*, 709 F.2d 762, 765 (1st Cir. 1983)) (dismissing cases where true purpose of chapter 11 filing was to resolve a two-party dispute over who controlled the debtor's business); *In re Primestone Inv. Partners, Inc.*, 272 B.R. 554, 557 (D. Del. 2002) (setting forth non-exhaustive list of bad-faith indicia, including filing to resolve a two-party dispute, filing with no pressure to do so from creditors, and filing solely to obtain the benefit of the automatic stay). The burden lies with the petitioner to establish that its petition has been filed in good faith. *Leavitt v. Soto (In re Leavitt)*, 209 B.R. 935, 940 (B.A.P. 9th Cir. 1997) (citing *In re Powers*, 135 B.R. 980, 997 (Bankr. C.D. Cal. 1991)) ("Debtor bears the burden of proving that the petition was filed in good faith."); *In re Mense*, 509 B.R. at 277 (Bankr. C.D. Cal. 2014) (citing *In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 118 (3d Cir. 2004) ("[T]he burden is on the bankruptcy petitioner to establish its petition has been filed in good faith.")).

59. If a debtor "has no need to rehabilitate or reorganize, its petition cannot serve the rehabilitative purpose for which Chapter 11 was designed." *In re SGL Carbon Corp.*, 200 F.3d 154, 159-62 (3d Cir. 1999). The Supreme Court has identified the rehabilitative purposes of chapter 11 as twofold: (1) "preserving going concerns" and (2) "maximizing property available to satisfy creditors." *Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 453-54 (1999). Here, the Purported Debtors cannot show that the Chapter 11 Cases satisfy either purpose.

60. There is no "race to the courthouse" or other collective-action problem that the automatic stay or plan process would solve. Instead, the obvious purpose of these unauthorized filings is to try to undo the consequences of the Administrative Agent's lawful exercise of remedies. This is confirmed by the fact that the Purported Debtors have already filed an adversary case seeking a ruling that the replacement of the Purported Debtors' managers was invalid. That is a classic two-party dispute under a contract, the Pledge Agreement, that contains an exclusive New York venue provision. Pledge Agreement § 7.11. This is naked forum shopping, not value preservation or maximization. The Purported Debtors could and should have filed their lawsuit in

1 New York, as they agreed to do in the Pledge Agreement, and could have sought expedited relief,
2 were it warranted (which it is not). Filing these Chapter 11 Cases has the opposite effect by delaying
3 the resolution of the two-party dispute.

4 61. Notably, the Purported Debtors are not besieged by litigation or threats of litigation
5 by other parties and thus cannot justify seeking bankruptcy protection on that basis. *Cf. SGL Carbon*
6 *Corp.*, 200 F.3d at 168-70 (holding that the lower court erred in failing to dismiss the chapter 11
7 petition where lawsuits did not pose a sufficient threat to justify bankruptcy relief); *In re Liberate*
8 *Tech.*, 314 B.R. 206, 213-14 (Bankr. N.D. Cal. 2004) (dismissing chapter 11 case where pending
9 lawsuits were insufficient to create a present need for bankruptcy relief).

10 62. Had maximizing creditor recoveries truly been the Purported Debtors' aim, they
11 would have sought further out-of-court discussions with their lenders, who had been engaging with
12 the Purported Debtors and their advisors up until the exercise of the Voting Proxy, rather than
13 impose the cost and value destruction of chapter 11. This case belongs neither in bankruptcy nor in
14 the District of Nevada.

15 63. As noted, the Purported Debtors' business has a limited scope. Its assets are its
16 relationships and contracts with talent and a television network. There is no reason to believe that
17 a chapter 11 process would help maximize the value of these agreements through renegotiation or
18 otherwise. Indeed, the Purported Debtors' chapter 11 filings are more likely to chill business
19 relationships and destroy value than to enhance it.

20 64. This implicates another ulterior motive. The bankruptcy filings are an obvious
21 attempt to put out-of-the-money equity back in control of the relationships with talent and the
22 network. The clear objective is to benefit the individuals affiliated with the Purported Debtors'
23 equity sponsor personally, without regard to the interest of the Purported Debtors secured creditors.
24 That is, quite obviously, not a proper purpose of bankruptcy.

25 65. Perhaps most telling concerning the Purported Debtors lack of good faith is who
26 did and did not sign the purported "board resolution" allegedly authorizing the filing of these
27 Chapter 11 Cases. Prior to the exercise of the Voting Proxy, the Board-Managed Purported Debtors
28 had six managers, two of whom were said to be independent. *See Hillman Declaration, Exhibit 18*

(Amended and Restated Written Consent). But only three of these ousted managers signed the purported board resolution.⁵ They are the three individuals affiliated with the Purported Debtors' equity sponsor. The inescapable inference is that the other three former managers were either not willing to, or not asked to, go along with the bad faith filings. These facts also bolster the conclusion that the only intended beneficiary of bankruptcy is out-of-the-money equity.

66. Finally, there is no reason to believe the Purported Debtors have an actionable (or any) plan to reorganize the Purported Debtors. Equity is hopelessly under water and, instead of engaging with the Purported Debtors' secured lenders to search for an out-of-court solution, equity instead resorted to these unauthorized filings five days after the exercise of the Voting Proxy. Even then, the Purported Debtors only filed bare-bones and defective petitions. Indeed, the Purported Debtors managed to file an adversary case against their secured creditors but have yet to file corrected petitions, schedules or a first-day declaration. This speaks volumes as to the lack of any intention to propose an actionable plan.

III. The Purported Debtors Should Be Ordered to Reimburse the Ad Hoc Group and the Agent for Their Reasonable Attorney Fees and Costs

67. As recognized by the Ninth Circuit BAP in *California Fidelity*, the bankruptcy court has the inherent authority to "sanction conduct that violates the bankruptcy laws." *In re California Fidelity, Inc.*, 198 B.R. 567, 573 (B.A.P. 9th Cir. 1996); *see also In re DeVille*, 280 B.R. 483, 495 (9th Cir. B.A.P. 2002) ("[A] court may sanction pursuant to its inherent authority even when the same conduct may also be punished under another sanctioning statute or rule."), *aff'd*, 361 F.3d 539 (9th Cir. 2004). Reimbursement of attorney fees and costs is warranted here because the petitions filed by the Purported Debtors were filed for an improper purpose and not authorized under applicable state law.

⁵ *See In re Thrill Intermediate LLC*, Case No. 25-15714-mkn [ECF No. 1] at 8; *In re Thrill Holdings LLC*, Case No. 25-15715-mkn [ECF No. 1] at 9; *In re Superjacket Productions LLC*, Case No. 25-15716-mkn [ECF No. 1] at 9; *In re Purple Shark, LLC*, Case No. 25-15717-mkn [ECF No. 1] at 9; *In re Perfect Feet Productions, LLC*, Case No. 25-15718-mkn [ECF No. 1] at 9; *In re Conduit Post, LLC*, Case No. 25-15720-mkn [ECF No. 1] at 9; *In re Nitrocross IP Holdings LLC*, Case No. 25-15721-mkn [ECF No. 1] at 9; and *In re Nitro Rallycross LLC*, Case No. 25-15722-mkn [ECF No. 1] at 9. Note that no board resolutions were attached to the petition filed by Purported Debtor Crown Media Entertainment, LLC. *See, generally, In re Crown Media Entertainment, LLC*, Case No. 25-15719-mkn [ECF No. 1].

RESERVATION OF RIGHTS

68. The Ad Hoc Group and the Agent respectfully submit that the lack of proper corporate authorization is, standing alone, a sufficient and independently dispositive basis for dismissal of these Chapter 11 Cases. This Motion does not address, and should not be construed as limiting, any other potential grounds for dismissal or relief on any other basis under the Bankruptcy Code or applicable law.

69. Nothing contained in this Motion shall be deemed a waiver of, or otherwise prejudice, any rights of the Ad Hoc Group, the Agent, the Administrative Agent, or any of the Lenders under the Credit Agreement, the Pledge Agreement, or any other applicable loan document, all of which rights are expressly preserved. Without limitation, the Ad Hoc Group and the Agent reserve all rights to (i) supplement or amend this Motion, (ii) assert additional grounds for dismissal or other relief, (iii) oppose any relief sought by the unauthorized filers in these cases, and (iv) contest any attempt by the Purported Debtors, their insiders, or any other party to authorize, ratify, or otherwise validate the unauthorized filing of these Chapter 11 Cases.

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1 **WHEREFORE**, for the reasons set forth herein, the Ad Hoc Group and the Agent
 2 respectfully request that the Court enter an order (i) dismissing the Chapter 11 Cases with prejudice
 3 with respect to the Purported Debtors and declaring that the Purported Debtors' chapter 11
 4 voluntary petitions are void *ab initio* for lack of proper corporate authorization, or, in the
 5 alternative, dismissing the Chapter 11 Cases for cause pursuant to 11 U.S.C. § 1112(b); (ii) ordering
 6 the Purported Debtors to reimburse the Ad Hoc Group and the Agent for their reasonable attorney
 7 fees and costs related to filing and prosecuting this Motion and otherwise participating in the
 8 Chapter 11 Cases; and (iii) granting such other and further relief as the Court deems just and proper.

9 DATED this 1st day of October, 2025.

10 McDONALD CARANO LLP

11
 12 By: /s/ Ryan J. Works

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 23 *Lenders and the Administrative Sub-Agent for First*
 24 *Lien Lenders*

EXHIBIT A

Proposed Order

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6 UNITED STATES BANKRUPTCY COURT
7 FOR THE DISTRICT OF NEVADA

8 In re:

9 THRILL HOLDINGS LLC,
10 Debtor.⁶

Case No. 25-15715-mkn
Chapter 11

11
12 ORDER DISMISSING THE PURPORTED
13 DEBTORS' CHAPTER 11 CASES AND DECLARING THE
14 PURPORTED DEBTORS' CHAPTER 11 PETITIONS VOID AB INITIO

15 Upon the *Motion of the Ad Hoc Group of First Lien Lenders and the Administrative Sub-*
16 *Agent for First Lien Lenders for an Order Dismissing the Purported Debtors' Chapter 11 Cases*
17 *and Declaring the Purported Debtors' Chapter 11 Petitions Void Ab Initio* (the "**Motion**");⁷ and
18 this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to
19 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being
20 a core proceeding pursuant to 28 U.S.C. § 157(b); and upon consideration of the entire record of
21 the Chapter 11 Cases; and due and sufficient notice of the Motion having been given under the
22 circumstances; and it appearing that no other or further notice need be provided; and after due
23 deliberation, and good and sufficient cause appearing therefor, **IT IS HEREBY ORDERED:**

24 ⁶ The debtor affiliates of Thrill Holdings LLC, along with the case numbers of their respective chapter 11 cases
25 pending before this Court, are: Thrill Intermediate LLC, Case No. 25-15714-mkn; Superjacket Productions LLC,
26 Case No. 25-15716-mkn; Purple Shark, LLC, Case No. 25-15717-mkn; Perfect Feet Productions, LLC, Case No.
27 25-15718-mkn; Crown Media Entertainment, LLC, Case No. 25-15719-mkn; Conduit Post, LLC, Case No. 25-
28 15720-mkn; Nitrocross IP Holdings LLC, Case No. 25-15721-mkn; and Nitro Rallycross LLC, Case No. 25-
15722-mkn. The service address for each of the Debtors in these Chapter 11 Cases is 10801 W. Charleston
Boulevard, Suite 600, Las Vegas, NV 89135.

⁷ Capitalized terms used but not otherwise defined in this Order have the meanings set forth in the Motion.

1 1. The Motion is **GRANTED** as set forth herein.

2 2. The Purported Debtors' chapter 11 voluntary petitions are null and void *ab initio*
3 and these Chapter 11 Cases are dismissed with prejudice with respect to the Purported Debtors.

4 3. The Purported Debtors shall reimburse the Ad Hoc Group and the Agent for their
5 reasonable attorney fees and costs associated with filing and prosecuting the Motion and otherwise
6 participating in the Chapter 11 Cases, in an amount to be determined through an application by the
7 Agent's counsel.

8 4. The terms and conditions of this Order shall be immediately effective and
9 enforceable upon its entry.

10 5. This Court retains exclusive jurisdiction with respect to all matters arising from or
11 related to the implementation, interpretation, and enforcement of this Order.

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