

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
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In re:

CINEMEX HOLDINGS USA, INC.,
CMX CINEMAS, LLC, and CB
THEATER EXPERIENCE LLC,¹

Debtors.

Chapter 11 (Subchapter V)

Case No. 25-17559-LMI

(Jointly Administered)

**OBJECTION OF MN THEATERS 2006 LLC TO THE DEBTORS' DESIGNATIONS AS
SMALL BUSINESS DEBTORS AND THEIR ELECTIONS TO APPLY SUBCHAPTER V**

MN Theaters 2006 LLC (“**MN Theaters**”), a creditor of CB Theater Experience LLC, respectfully states as follows.

RELIEF REQUESTED

1. By this pleading (the “**Objection**”), MN Theaters objects to each of the Debtor’s designations (the “**Small Business Designations**”) as a “small business debtor” (as that term is defined in 11 U.S.C. § 101(51D)) and to each Debtor’s election to apply subchapter V of chapter 11 to these Chapter 11 Cases (the “**Subchapter V Elections**”). MN Theaters respectfully requests entry of an order striking the Small Business Designations and the Subchapter V Elections, terminating the appointment of the trustee under 11 U.S.C. § 1183 (the “**Subchapter V Trustee**”), and granting such other relief as is just and proper. A proposed form of order (the “**Proposed Order**”) is attached as **Exhibit A** to this Objection.

¹ The Debtors in these cases and the last four digits of each Debtors’ federal identification number are as follows: (1) Cinemex Holdings USA, Inc. (5502); (2) CMX Cinemas, LLC (1938); and (3) CB Theater Experience LLC f/k/a Cobb Theater Experience LLC f/k/a Cinemex NC, LLC (0563). The address for the Debtors is 4300 Biscayne Blvd, Suite 203, Miami, FL 33137.

2. The principal statutory bases for this Objection are sections 101(51D) and 1182(1) of title 11 of the U.S. Code (the “**Bankruptcy Code**”) and Rule 1020(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

JURISDICTION AND VENUE

3. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. § 1334. These Chapter 11 Cases have been referred to the Court pursuant to 28 U.S.C. § 157(a) by the Order of Reference entered by the U.S. District Court for the Southern District of Florida on March 27, 2012. This Motion is a core proceeding under 28 U.S.C. § 157(b). Venue in the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Objection is timely because it is filed within 30 days after the meeting of creditors, which concluded on August 4, 2025. *See* Fed. Bankr. R. Proc. 1020(b).

PRELIMINARY STATEMENT

4. When an animal paddles like a duck, waddles like a duck, and quacks like a duck, the animal often turns out to be a duck. So it is with these Debtors. The Debtors’ initial pleadings acknowledged that they paddle, waddle and quack like a big business, with hundreds of creditors, sophisticated executives with “extensive experience in both finance and operations” and “deep experience and expertise in the movie theater industry,” and operations across dozens of cities in eight different states. *See* Decl. of Rafael Muñoz Pedregal in Supp. of Subch. V Pets. & First Day Mots. (“**Muñoz Decl.**”) at ¶¶ 1, 9, 27–30, Dkt. No. 13; Sched. E/F.² Although some theaters have closed, the Debtors once operated approximately 30 theaters across much of the United States. *See* Decl. of Jose Leonardo Martí in Supp. of Ch. 11 Pet. & First Day Mots., *In re Cinemex USA Real Estate Holdings, Inc.* (“**Cinemex I**”), Case No. 20-14596-LMI (Bankr. S.D. Fla. Aug. 13, 2020), Dkt. No. 47. The Debtors are owned by an even larger conglomerate, which has previously mar-

² Except where otherwise noted, citations to “Statements of Financial Affairs” refer to the statements filed by CB Theater Experience LLC at Docket No. 77, and citations to “Schedules” refer to the same entity’s amended schedules filed at Docket No. 147.

keted itself as the sixth largest cinema chain in the world. *See* “About CMX Cinemas,” (website of CMX Cinemas, archived as of Nov. 27, 2020), *available at* <https://web.archive.org/web/20201127233915/https://www.cmxcinemas.com/about-cmx-cinemas>. And even amid an industry slump, the Debtors receive and spend over \$120 million per year, with more than \$65 million of asserted liabilities. *Id.* at ¶ 32–34.

5. Now we know that the Debtors do not just paddle, waddle and quack like a big business. They *are* a big business. Or, more precisely, they are ineligible to be “small business debtors” because their Qualifying Debts³ exceed the Bankruptcy Code’s cap of \$3,424,000,⁴ once the calculation includes several categories of Qualifying Debts that the Debtors’ schedules did not acknowledge as such:

Category of Qualifying Debt	Minimum Amount ⁵	Cross-Reference to Discussion Below
Scheduled by Debtors	\$2,058,776.29	§ II.A
Film distribution	\$690,511.64	§ II.B
Payroll	\$788,571.58	§ II.C
Paid time off (PTO)	\$404,231.40	§ II.D
Sales tax	\$1,036,929.97	§ II.E
Insurance financing	\$56,128.61	§ II.F
Keymax Comercializadora	\$20,422.81	§ II.G
Total	\$5,055,662.30	
<i>Small Business Cap</i>	<i>\$3,424,000.00</i>	

³ Section 101(51D) defines the critical category of debts as “aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition . . . (excluding debts owed to 1 or more affiliates or insiders).” 11 U.S.C. § 101(51D)(A). For brevity, we refer to such debt throughout this Objection as “**Qualifying Debt**” or “**Qualifying Debts**.” To determine small business eligibility of affiliated debtors, the Qualifying Debt of a “group of affiliated debtors” is measured together. *See* § 101(51D)(B)(i).

⁴ *See* 11 U.S.C. § 101(51D)(A), (B)(i) (adjusted for inflation under § 104). The Debtors filed their petitions on a form that described a \$7,500,000 cap, *see, e.g.*, Voluntary Pet., line 8, Dkt. No. 1, but have conceded that the correct cap is \$3,424,000. *See* Opp. to Mot. of MN Theaters 2006 LLC for Order Directing Appointment of Official Comm. (“**Opp. to Committee Mot.**”), at ¶ 10 (July 25, 2025), Dkt. No. 116.

⁵ These amounts are based on information currently available to MN Theaters, which reserves the right to modify this calculation.

6. Each of these categories is discussed below in greater detail. In short:
- *Scheduled by Debtors.* As a baseline, the Debtors have scheduled non-insider debts that are noncontingent and liquidated in the amount of \$2,058,776.29, as reported in the amended version of Schedule E/F and summarized on **Exhibit D**. The Debtors maintain that \$152,100.56 of these scheduled liabilities are not Qualifying Debts, despite being scheduled as such, because the associated invoices arrived after the Debtors' petition date of June 30, 2025 (the "**Petition Date**"). *See* Leggett Email, response to 1.a. The Debtors' position is incorrect because it ignores consistent precedent that a debt may be noncontingent and liquidated even if the debtor is unaware of the debt or its amount until after the petition date.
 - *Film distribution.* The Debtors have also acknowledged approximately \$690,511.64 in obligations to various film distributors on account of screenings from Friday, June 27, through Sunday, June 29, 2025.⁶ At the meeting of creditors held under sections 341 and 343 of the Bankruptcy Code, Mr. Muñoz conceded that the Debtors' obligation to the distributors is "purely a percentage of the box office" that is normally assessed, audited and paid within a few days after each weekly measurement period. *See* Tr. of Meeting of Creditors ("**341 Tr.**") 52:4–5, 53:8–54:4 (attached as **Ex. C**). Nevertheless, the Debtors have subsequently taken the position that the payments to distributors depend in some manner on the final North American gross for each film, but have not provided the contractual language necessary to support this position. *See* Leggett Email, response to item 3.a. The Debtors' approach to these payments (again, a novel approach, to the best of MN Theaters' knowledge) is incorrect because (a) the Debtors became obligated to pay the distributors as soon as they sold tickets and screen movies prior to the Petition Date and (b) the amounts due to the distributors were amenable to simple calculation, at least according to Mr. Muñoz's sworn testimony.
 - *Payroll.* The Debtors have *not* acknowledged any payroll obligations as of the petition. In fact, the Debtors' employees had not yet been paid for approximately \$788,571.58 of work performed during the 10-day period

⁶ This amount is the sum of scheduled amounts owed to the five leading U.S. film distributors: Buena Vista Pictures Distribution (a/k/a Disney), Paramount, Sony, Universal Film Exchanges (d/b/a Universal Pictures), and Warner Brothers Distributing, Inc. *See* Sched. E/F, lines 3.25, 3.178, 3.228, 3.257, 3.268. MN Theaters believes that additional, smaller amounts were due to other distributors such as Lionsgate. *See* Sched. E/F, line 3.143 (listing "undetermined" amount); 341 Tr. 59:3–11 (describing amount owed to Lionsgate as "something really small").

from Friday, June 20, 2025, to Sunday, June 29, 2025.⁷ Although the Debtors sent funds to their payroll processor (Paycom) on June 27 as estimated pay for that period and beyond, that money did not reach the employees themselves for two more weeks. Furthermore, there is no sense in which Paycom accepted the payment as a trustee or agent on behalf of the Debtors' employees, since Paycom is an agent of the Debtors rather than an agent of the employees. To the contrary, the Debtors retained the right to reclaim their funding from Paycom even after the Petition Date.

- *Paid time off.* The Debtors offer various PTO policies for full-time corporate employees, full-time theater management employees, and all employees in Illinois. Information provided by the Debtors indicates that the Debtors' employees had collectively accrued \$404,231.40 of PTO as of the Petition Date.⁸ The Debtors take the position that the PTO is contingent on "any particular employee qualifying for a payout of PTO," Leggett Email, response to item 4.b., apparently in reference to the possibility that employees might lose their entitlements by failing to take vacation during a calendar year. The Debtors are wrong to characterize the PTO obligations as contingent debts, because each relevant employee was entitled to claim his or her PTO on the Petition Date. That an employee might later waive his or her PTO by failing to take vacation time is the argument that proves too much, since almost *any* claim could conceivably be waived by the claimant.
- *Sales tax.* The Debtors have acknowledged \$1,036,929.97 of sales tax obligations to various state and local tax agencies but have taken the position that these obligations are "contingent" upon the Debtors' potential failure to remit trust assets to the agencies. *See* Opp. to Committee Mot. ¶ 21. This novel way of scheduling tax obligations is incorrect because the Debtors had an existing personal obligation as of the Petition Date to pay sales tax to the respective agencies.

⁷ On August 6, 2025, MN Theaters requested wage-and-hour data for work performed by the Debtors' employees during this 10-day period. Because the Debtors have not yet supplied that information, MN Theaters served a substantially similar discovery request under Bankruptcy Rule 2004 on August 28. MN Theaters' estimate of \$788,571.58 is based on the Debtors' own estimate of \$1,104,000.21 for the 14-day payroll period of June 20 to July 3, 2025, prorated for the 10 calendar days that occurred before the Petition Date. MN Theaters believes that the actual amount for the 10-day prepetition period is likely to be even higher, because the prepetition period includes two full weekends.

⁸ This amount does not include statutory sick leave owed to employees in Minnesota, which can be used only in the event of illness or certain other specific circumstances.

- *Insurance premium financing.* The Debtors’ insurance motion (Dkt. No. 17) describes premium financing agreements with two providers: one agreement with IPFS and two with Perla Finance LLC (“Perla”). The outstanding amount owed to IPFS is correctly reported on the amended Schedules as a Qualifying Debt in the amount of \$668,054.80. However, the outstanding amount of \$56,128.61 owed to Perla was omitted from the Schedules. It, too, is a Qualifying Debt.
- *Keymax Comercializadora.* The Schedules include a contingent and unliquidated debt to Keymax Comercializadora SA de CV in the amount of \$136,648.89. *See* Sched. E/F at line 3.135. The Debtors have subsequently reconciled this claim in the amount of \$20,422.81. *See* Leggett Email, response to item 1.b.

7. Even according to the Debtors’ calculations, they qualify as a small business by barely \$1.5 million—a wide gap for a genuine small business, but just a few days’ revenue and expenses for these Debtors. Accordingly, MN Theaters need not prevail on each of the contested issues. For the Debtors to be ineligible, it is enough to conclude, for instance, that the Debtors’ sales tax and film distribution obligations are Qualifying Debt, *or* their film distribution, payroll and insurance financing, *or* any number of other combinations. For the reasons set forth below, the Debtors cannot meet their burden to prove their eligibility as small business debtors. *See, e.g., In re RS Air, Inc.*, 638 B.R. 403, 413–414 (B.A.P. 9th Cir. 2022) (placing burden of proof of debtor to prove eligibility); *In re Vertical Mac Constr., LLC*, Case No. 6:21-bk-1520, 2021 Bankr. LEXIS 2285, at *4, 2021 WL 3668037, at *2 (Bankr. M.D. Fla. July 23, 2021) (same).

BACKGROUND

8. The Debtors’ predecessors filed voluntary chapter 11 cases in 2020, amid the COVID-19 pandemic. Those cases were filed as standard chapter 11 cases. Indeed, the debtors could not have proceeded as small business debtors in those cases because they acknowledged that their Qualifying Debts vastly exceeded the small business eligibility cap. *See* 11 U.S.C. § 1182(1) (as temporarily increased to \$7,500,000 by the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136 (Mar. 27, 2020), § 1113(a)(1)). The 2020 debtors acknowledged over \$83 million of debts, including \$1 million of Qualifying Debts to tax agencies and over \$2 million

to film distributors. *See* Sched. E/F at pt. 1, *In re CB Theater Experience LLC* (Bankr. S.D. Fla.), *filed at In re Cinemex I*, Dkt. No. 470 (listing numerous tax debts as noncontingent and liquidated); *id.* at lines 3.9, 3.117, 3.451, 3.525, 3.650, 3.730, 3.761 (listing debts to film distributors as noncontingent and liquidated).

9. On June 30, 2025, the Debtors filed voluntary chapter 11 cases once more. This time, though, the Debtors attempted to maintain their Qualifying Debts below \$3,424,000, so as to gain eligibility as “small business debtors.” *Cf.* 11 U.S.C. § 101(51D) (defining debt limits for a “small business debtor”);⁹ Muñoz Decl. ¶ 42 (attesting to approximately \$1.9 million in Qualifying Debt). For instance, the Debtors made an out-of-sequence funding of payroll on Friday, June 27, 2025, and have taken the position that no wage and benefit obligations constituted Qualifying Debts as of the Petition Date.¹⁰ *Cf.* Sched. E/F (omitting liabilities to employees); Stmt. of Fin. Affairs, ex. to pt. 2, qn. 3, p. 14, row 5 (listing payment to “Paycomgrapevine TX” for “Payroll,” separately from regular biweekly payments); Muñoz Decl. ¶ 18 (“Prior to filing for Subchapter V, CB Theater paid the expenses due for payroll, payroll taxes, and insurance.”); 341 Tr. 63:4–64:16. Additionally, the Debtors have taken the novel position that accrued sales taxes constitute contingent debts on the grounds that the Debtors are personally liable for sales taxes only if the Debtors fail to tender amounts that the Debtors themselves hold in trust for each tax agency.¹¹ *See* Opp. to Committee Mot. ¶ 21.

10. The Office of the U.S. Trustee for Region 21 (the “**U.S. Trustee**”) appointed Tarek Kiem as Subchapter V Trustee on July 2, 2025. *See* Dkt. No. 27.

11. The Debtors filed amended schedules of assets and liabilities on August 1, 2025, showing \$2,058,776.29 of non-insider liabilities that are not labeled as contingent or unliquidated.

⁹ Pursuant to § 104 of the Bankruptcy Code, the Qualifying Debt limit in § 105(51D) was adjusted to \$3,424,000 (the “**Small Business Cap**”) as of April 1, 2025. *See* Jud. Conf. of the United States, *Adjustment of Certain Dollar Amounts Applicable to Bankr. Cases*, 90 Fed. Reg. 894 (Feb. 4, 2025).

¹⁰ This stratagem failed. For the reasons discussed forth below, at section II.C, the Debtors unpaid wage obligations constituted Qualifying Debts as of the Petition Date.

¹¹ This conclusion of the Debtors is also incorrect, for the reasons explained below, at § II.E.

See generally Sched. E/F; *see also* **Ex. D** (summarizing such debts as scheduled by the Debtors). Of these liabilities, Debtors’ counsel has acknowledged that \$1,906,765.73 constitute Qualifying Debt, while asserting that \$152,100.56 represent “new invoices that we received after the petition date for previously scheduled creditors” that “were not known to the Debtors on the petition date.” Leggett Email.

12. The U.S. Trustee convened the meeting of creditors under sections 341 and 343 of the Bankruptcy Code on August 4, 2025, at which the lead Debtor’s president, Rafael Muñoz Pedregal, testified under oath on the Debtors’ behalf. Excerpts from the meeting of creditors are attached to this Objection as **Exhibit C**.

13. The subchapter V status conference under § 1188 of the Bankruptcy Code was held on August 22, 2025. The Debtors filed a plan on August 28, 2025, and a confirmation hearing has been scheduled for October 17, 2025. *See* Dkt. Nos. 193, 195.

OBJECTION

I. QUALIFYING DEBTS

14. To reiterate the definition given above, a debtor’s or group’s Qualifying Debt for purposes of subchapter V eligibility is the “aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition . . . (excluding debts owed to 1 or more affiliates or insiders).” 11 U.S.C. § 101(51D)(A), (B)(i). This definition mirrors the eligibility limits for chapter 13, so that case law from chapter 13 cases is relevant to eligibility under the newer small business statute. *Cf.* § 109(e) (in part: “an individual . . . that owes, on the date of the filing of the petition, noncontingent, liquidated, unsecured debts of less than \$526,700 and noncontingent, liquidated, secured debts of less than \$1,580,125”) (adjusted for inflation). The existence of a dispute concerning a claim “does not disqualify the claim from inclusion in the section 109(e) eligibility calculation” (or, by implication, in the parallel small business eligibility calculation). *In re Perez*, 400 B.R. 879, 883 (Bankr. S.D. Fla. 2008) (Isicoff, J.) (citing *United States v. Verdunn*, 89 F.3d 799 (11th Cir. 1996)); *see also In re Mazzeo*, 131 F.3d 295, 303 (2d Cir. 1997) (explaining

that a “contingent” debt and a “disputed” debt must be different concepts, or else “the word ‘contingent,’ in the definition of ‘claim[,]’ [would be] redundant”).

15. An affiliated group of debtors can be “small business debtors” and eligible for subchapter V only if the Qualifying Debts of the group are at most \$3,424,000. *See* 11 U.S.C. § 101(51D)(B)(i). “Eligibility is determined by what the Debtors owe on the petition date, not by what the Debtors think they owe.” *In re Hall*, 650 B.R. 595, 600 (Bankr. M.D. Fla. 2023). Therefore, a court need not defer to a debtor’s self-serving characterization of scheduled debts.

16. Aside from a purported loan owed to the Debtors’ parent and any employment obligations to two specific individuals, MN Theaters understands that the Debtors’ debts are owed entirely to non-insiders. Therefore, the classification of debt as Qualifying Debt depends solely on (a) whether the debt existed as of the filing of the petitions, (b) whether the debt was “contingent” at that time, and (c) whether the debt was “liquidated” at that time. Below, we briefly discuss the meaning of “contingent” and “liquidated,” and then analyze each category of debt that the Debtors maintain are either non-existent, contingent or liquidated.

A. A Debt Is Noncontingent If the Events That Gave Rise to It Occurred Prior to the Petition.

17. A debt is “noncontingent” if “the events that give rise to it occurred prior to the petition.” *In re Farber*, 355 B.R. 362, 371 (Bankr. S.D. Fla. 2006); *see also In re Estrategias en Valores, S.A.*, 601 B.R. 550, 555 (Bankr. S.D. Fla. 2019) (Isicoff, J.) (“A contingent claim is a claim that has not ripened pre-petition . . .”), Schedules at p. 3, ¶ 1 (Debtors’ global note describing a contingent claim as “[a] claim that is dependent on the realization of some uncertain future event”). A debt is not contingent merely because the debt is unmatured; the future event that makes a debt contingent must be something more than the passage of time. *In re King*, 664 B.R. 356, 369 (B.A.P. 9th Cir. 2024) (“Where . . . the obligation to pay . . . is not triggered by any event other than the passing of time, the claim is not ‘contingent.’”). Likewise, a debt may be noncontingent even if it has not been reduced to judgment, so long as applicable law makes the debtor liable. *See In re Mazzeo*, 131 F.3d at 303.

B. A Debt Is Liquidated If Its Amount Is Known or Can Easily Be Determined.

18. A debt is “liquidated” if its monetary amount has been determined, or if the amount “has been made certain . . . by agreement of the parties or by operation of law.” *United States v. Verdunn*, 89 F.3d 799, 802 (11th Cir. 1996) (holding that an assessed tax deficiency was liquidated for purposes of chapter 13 eligibility despite being disputed by debtor). The classic example of a liquidated debt arises under a “normal contract case, where . . . the parties . . . agree to a sum certain to be paid—either a specific contract amount (I will pay you \$X according to certain terms) or a set amount of a product at a set price (I will buy five widgets at \$50 each).” *In re Robinson*, 535 B.R. 437, 448 (Bankr. N.D. Ga. 2015). Thus, the Eleventh Circuit has stated that a liquidated debt includes one “for goods or services to be paid for at an agreed rate.” *Verdunn*, 89 F.3d at 802 n.12., but not a debt whose amount is “dependent . . . upon a future exercise of discretion [or] not restricted by specific criteria.” *Id.* at 802. In applying this standard, bankruptcy courts in this Circuit have considered whether “1) the debt is capable of ready determination and precision through the application of fixed legal standards; 2) proving the debt requires a substantial evidentiary hearing to establish the amount versus a simple hearing; and 3) the amount is dependent on a future exercise of discretion unrestricted by certain criteria.” *In re Winston*, 309 B.R. 61, 65 (Bankr. M.D. Fla. 2004) (internal citations omitted). A debt is considered liquidated “even when calculation [is] time-consuming and difficult,” as long as the process for determining the amount is “fixed, certain, or otherwise determined by a specific standard.” *In re Newman*, 259 B.R. 914, 918 (Bankr. M.D. Fla. 2001); *cf.* Schedules at p. 3, ¶ 2 (Debtors’ global note describing an unliquidated claim as “[a] claim for which a specific value cannot be calculated using currently available information”).

19. Finally, even when a debt is unliquidated, a court may treat the minimum conceivable amount of the debt as a liquidated debt. *See In re Buis*, 337 B.R. 243, 249 (Bankr. N.D. Fla. 2006) (“[A]lthough it is conceivable that the District Court would not find the entire amount requested . . . to be reasonable, it is inconceivable that it would find a reasonable amount to be less than the . . . difference between the amount of the other unsecured debt and the § 109(e) eligibility amount”); *see also In re Nikoloutsos*, 199 F.3d 233 (5th Cir. 2000) (treating judgment for

compensatory damages as liquidated despite ongoing litigation regarding punitive damages); *In re Wenberg*, 94 B.R. 631 (B.A.P. 9th Cir. 1988) (treating ascertainable claim for attorney’s fees as liquidated even though underlying claim was unliquidated).

II. OVER \$5 MILLION OF THE DEBTORS’ OBLIGATIONS CONSTITUTE QUALIFYING DEBTS.

A. All Amounts Scheduled as Noncontingent and Liquidated Constitute Qualifying Debts.

20. As summarized on **Exhibit D**, the Schedules include \$2,058,776.29 of non-contingent, liquidated debts. The Debtors have acknowledged Qualifying Debts in the amount of \$1,906,765.73, but maintain that \$152,100.56 of their noncontingent, liquidated debts should not be counted as Qualifying Debts because those amounts stem from “new invoices that we received after the petition date for previously scheduled creditors.”¹² Leggett Email, response to 1.a. The Debtors’ position is incorrect. The “new invoices” must relate to services rendered prepetition, or else they would not be included on the Schedules at all. Because the underlying services that gave rise to the Debtors’ obligations were rendered prepetition, the “new invoices” represent debts that were noncontingent on the Petition Date, even if the invoices did not arrive until later. Likewise, the invoices represent liquidated debts, so long as the pricing for the services was capable of simple calculation. Such is the case for most business-to-business payables, and the burden lies on the Debtors to demonstrate if any specific invoices was not amenable to simple calculation as of the Petition Date. Absent evidence to the contrary, the starting point for the Court’s Qualifying Debt analysis should be the complete set of non-insider debts that the Debtors have marked as non-contingent and liquidated on their Schedules.

¹² There is an immaterial discrepancy of \$90.00 between MN Theaters’ calculation of \$2,058,776.29 in Qualifying Debt and the Debtors’ calculation of \$1,906,765.73 in Qualifying Debt plus \$152,100.56 in postpetition invoices for prepetition services.

B. The Accrued Obligations to Film Distributors Constitute Qualifying Debts.

21. The Debtors have scheduled over \$690,000 of obligations to film distributors as both contingent and unliquidated—a position that once again, to MN Theaters’ knowledge, no debtor has previously taken, including in these Debtors’ previous chapter 11 cases. *Compare* Sched. E/F, pt. 2, with Schedule E/F, pt. 2, *In re Cinemex I* (Bankr. S.D. Fla. Aug. 13, 2020), Dkt. No. 470 (listing film distribution claims as noncontingent); Sched. E/F, pt. 2, *In re Cinemaworld of Fla., Inc.*, Case No. 25-17693 (Bankr. S.D. Fla. July 31, 2025), Dkt. No. 51 (same, for Disney, Lionsgate, Paramount, Sony Pictures and others); Sched. E/F, pt. 2, *In re Metro. Theatres Corp.*, Case No. 2:24-11569 (Bankr. C.D. Cal. Mar. 21, 2024), Dkt. No. 116 (same, for Disney, Lionsgate, Paramount, Sony Pictures, Universal, Warner Bros. and others); Sched. E/F, pt. 2, *In re Alamo Drafthouse Cinemas, LLC*, Case No. 21-10474 (Bankr. D. Del. Mar. 31, 2021), Dkt. No. 176 (same, for Disney, Lionsgate, Sony, Universal).

22. The Debtors pay each distributor a fixed share of the gross box office for that distributor’s movies at the Debtors’ theaters. *See* 341 Tr. 51:25–52:6 (“[T]he studio will tell us a certain percentage that we will have to pay for a certain movie . . . depending on our box office.”). The reporting and audit process is quick, and payments are usually made within a week after the end of each week-long measurement period. *See id.* 53:8–54:4 (describing example of process for screening period of August 1–7, 2025, leading to completion of audit on August 13 and payment on August 14). The Debtors made estimated payments for screenings during the June 20–26, 2025 period prior to the Petition Date. *See id.* 56:12–23 (“*Q.* . . . [H]as that week been paid for by Monday the 30th? *A.* Yes, it must pay on Monday the 30th” (sic throughout)). However, the Debtors did not make any prepetition payments with respect to pre-petition screenings that occurred from June 27 to June 29. *See id.* 57:9–13 (“*Q.* . . . So that portion, from the 27th onward, had not yet been paid on the 30th, am I right? *A.* Yeah, no, nothing was due yet.”). The Schedules’ estimated amounts of distributor payments relate to screenings during this period, from June 27 to June 29. *See id.* 57:16–21, 58:23–59:1. Although those amounts had not yet been calculated as of the Petition Date, all necessary information to calculate these obligations was available to the Debtors at least by the time of the meeting of creditors. *See id.* 58:2–5 (“*Q.* Sitting here today, is CMX waiting

for any further information to know how much was owed to Warner Brothers as of June 30th? A. No.”).

23. Distributor payments for movies shown from June 27 to June 29 are Qualifying Debts, and the Debtors have no basis to argue otherwise.¹³ Those payment obligations are non-contingent because the distributors were owed money for events—i.e., movie screenings—that occurred prior to the Petition Date. The Debtors’ § 341 representative stated that these obligations were contingent on “actual attendance” or “how much box office we had,” *id.* 60:5–7, but his statement simply proves MN Theaters’ point. “Attendance” or “how much box office we had” is something that occurred prior to the Petition Date, regardless of when the attendance was tallied or audited.

24. Distributor payments for June 27–29 screenings are also liquidated because they are easily calculable. The simple percentage calculation “is capable of ready determination” (*In re Winston*, 309 B.R. 61, 65 (Bankr. M.D. Fla. 2004)), does not “require[] a substantial evidentiary hearing to establish” (*id.*), is not “dependent on a future exercise of discretion” (*id.*), is “fixed, certain, or otherwise determined by a specific standard” (*In re Newman*, 259 B.R. 914, 918 (Bankr. M.D. Fla. 2001)), and is a debt “for goods or services to be paid for at an agreed rate” (*United States v. Verdunn*, 89 F.3d 799, 802 (11th Cir. 1996)). By any standard recognized by courts, these debts are liquidated commercial debts.

25. The Debtors have subsequently taken the position that the amounts due to distributors depend on the “final North American gross for each film.” Leggett Email, response to item 3.a. This statement is diametrically opposed to Mr. Muñoz’s sworn testimony that payments to distributors are “a certain percentage . . . depending on our box office.” 341 Tr. 51:25–52:3. So too is Debtors’ new position that payments for June 2025 screenings “cannot yet be calculated.” *Cf. id.* 58:2–5 (stating that the Debtors have all information necessary to calculate payment to distributor), 54:1–4 (describing payments each Thursday following a weekly measurement period).

¹³ The same is true as to any underpayment for the June 20–26 period, for which the Debtors made an estimated payment shortly before the Petition Date.

26. In any event, even if some portion of the Debtors' obligation to a distributor depends on a film's North America-wide box office, the bulk of the Debtors' obligation is still (a) noncontingent because the Debtors rented and screened a movie prior to the Petition Date and (b) liquidated because the amount is easily calculable in the absence of contrary evidence from the Debtors as the party that bears the burden of proof on small business eligibility.

C. The Accrued but Unpaid Wages of the Debtors' Employees Constitute Qualifying Debts.

27. Numerous employees worked for the Debtors from Friday, June 20, 2025, to Sunday, June 29, 2025, a period that includes two summertime weekends. Those employees did not receive payment for their work until well after the Petition Date, on July 11. *See* 341 Tr. 64:21–24 (“*Q.* . . . [W]hen did the employees ultimately receive their pay? *A.* On the 11th.”). These facts should begin and end the analysis: the employees had not been paid their accrued wages for the period of June 20–29, so their wage claims were noncontingent, liquidated debts on the Petition Date.

28. Yet the Debtors maintain that no wage obligations existed at all on the Petition Date, because the Debtors had transferred enough money to their payroll processor (Paycom) to cover the unpaid wages and benefits. *See id.* 64:5–15 (“*Mr. Leggett:* . . . They just sent those funds to the payroll company, and those employees were ultimately paid per their exact hours and service. . . . *Q.* . . . Mr. Muñoz, did you hear what Mr. Leggett just said, and do you agree with that? . . . *The Witness:* . . . [Y]eah.”); Muñoz Decl. ¶ 18. This argument is predicated on the false assumption that transferring to Paycom was tantamount to paying the employees.

29. A debtor may, of course, satisfy a debt by paying money to an agent *of the relevant creditor*. *See, e.g.,* 3 Am. Jur. 2d Agency § 109 (“One paying money to an agent authorized to receive it is entitled to credit for the payment as if the payment were made directly to the principal creditor.”), § 222 (“A principal is bound by payments made to an agent having authority to collect or receive the payments, whether the agent’s authority is actual or apparent.”). Thus, if an employer transmits an employee’s wages to the *employee’s* bank for credit to the employee’s account (i.e.,

an ordinary direct deposit), the employer's obligation is satisfied the moment the bank receives the payment. So too, if an employer hands an employee's wages to the *employee's* spouse, then the employer's obligation is satisfied, at least under normal marital circumstances. But if an employer hands an employee's wages to the *employer's* own agent, then the employer's obligation is not satisfied until the employer's agent tenders the wages to the employee. *Cf. Huffman, Carter & Hunt, Inc. v. United States*, 317 F. Supp. 816 (S.D. Ohio 2004) (holding employer liable for payroll taxes that had been funded to an agent of the employer).

30. Here, Paycom was an agent of the Debtors, not an agent of the Debtors' employees. *See* Payroll & Human Capital Management Services Agreement ("Paycom agrees to perform and Client [i.e., CMX Cinemas, LLC] hereby engages and hires Paycom to perform *on Client's behalf* each of the Services" (emphasis added)) (attached as **Ex. E**). Paycom collects its fees from the Debtors. *See* General Terms & Conditions ¶ 14 ("Paycom shall charge Client and Client agrees to pay Paycom's fees and charges."), *available at* https://cdn.paycom.com/mkon/www/media/resources-content/General_Terms_and_Conditions.pdf. And Paycom relies on the Debtors for payment information. *Id.* ¶ 6. Courts have rejected efforts to make payroll administrators liable to employees. *See Goonewardene v. ADP, LLC*, 243 Cal. Rptr. 3d 299 (2019) (declining to treat employee as third-party beneficiary of employer's payroll administration contract and declining to impose tort liability on payroll administrator); *Triffin v. Ameripay, LLC*, 847 A.2d 628 (N.J. Super. 2004) (holding employer, rather than payroll administrator, liable for dishonored paychecks issued by administrator). In short, nothing about Paycom's relationship with the Debtors or industry practices suggests that Paycom received money on June 30 as an agent for the Debtors' employees.

31. The June 27 transfer to Paycom was simply a movement of money from one pocket to another, no different from a business that routinely moves cash into a specific bank account in advance of payroll. Nothing about the transfer to Paycom changed the debtor-creditor relationship between the Debtors and their employees. No employee is alleged to have received money from Paycom on June 27 (or at any time before July 11); no employee could withdraw money from Paycom on demand; no employee could direct Paycom to pay the employee's bills; few employees outside a small tent of finance and HR personnel likely even knew that the money intended for

their next paychecks had been sent to Paycom. Nothing in Mr. Muñoz declarations or his testimony suggests that the Debtors instructed Paycom regarding how much to pay each employee until long after the Petition Date (recall that the relevant pay period ended on July 3). Importantly, the Debtors likely could have retrieved the payroll funds from Paycom until well after the Petition Date. *See* Paycom Pay Supplemental Service Schedule at 1 (“In the event the Client transfers funds to Paycom’s PaycomPay Account and soon thereafter voids or cancels its scheduled payroll prior to Paycom’s issuance of any checks or transfer of any funds, then Client shall be entitled to the prompt return of said funds, less any fees, charges, or interest due Paycom.”), *available at* https://www.paycom.com/media/crr-content/Paycom_Pay_Supplemental_Service_Schedule.pdf.

32. The Debtors cannot treat their wage and benefit obligations as if those obligations do not exist, simply because they placed money in one pocket rather than another. As of the Petition Date, the Debtors owed noncontingent, liquidated amounts to each employee. Except for compensation owed to two insider employees,¹⁴ these debts are Qualifying Debts.

D. The Accrued PTO of the Debtors’ Employees Constitutes Qualifying Debt.

33. The Debtors offer various PTO policies for full-time corporate employees, full-time theater management employees, and all employees in Illinois. Information provided by the Debtors indicates that the Debtors’ employees had collectively accrued \$404,231.40 of PTO as of the Petition Date. Under the Debtors’ policies for corporate and management employees, the employee must coordinate PTO with his or her manager, unused PTO is forfeited at or near each year-end, and the employee is eligible to be paid out for PTO upon termination of employment so long as the employee gives proper notice and is not discharged for disciplinary reasons. Illinois statutory PTO is likewise subject to operational coordination and is forfeited upon termination of employment. In each case, an eligible employee is entitled to use PTO for any reason, including vacation, illness, or personal appointments.

¹⁴ MN Theaters is aware of only two insider employees, Mr. Muñoz and Ximena Carreño. To the extent that the Debtors can show that a portion of the wages and PTO discussed below were owed to those two individuals, MN Theaters concedes that that portion is not Qualifying Debt.

34. The PTO debts are liquidated, in that the amount of each employee's accrued PTO is readily available from the Debtors' payroll system (and, indeed, has been provided to MN Theaters' counsel). Furthermore, the PTO debts are noncontingent because each relevant employee was presently entitled to claim his or her PTO as of the Petition Date, within a reasonable framework of coordinating with managers. The Debtors appear to place heavy weight on the fact that an employee might forfeit his or her PTO entitlement, either by failing to use PTO during a particular calendar year, by quitting without proper notice, by being fired for disciplinary reasons, or (in the limited case of non-management employees in Illinois) by any termination of employment. But this argument turns the analysis on its head. The proper inquiry not whether an employee might *lose* a PTO claim based on some future event, but how an employee can *gain* a PTO claim. After all, almost any claim could conceivably be lost based on some future event: an invoice for goods might become unworthy of payment if the goods prove defective, or a tax might be repealed, or a statute of limitations might expire, or a claimant might simply waive a claim for any number of commercial reasons. What matters is that, "as of the date of the filing of the petition" (11 U.S.C. § 101(51D)(A)), each relevant employee had already earned his or her PTO and was entitled to use it. For this reason, all of the accrued PTO is a Qualifying Debt.

E. The Debtors' Sales Tax Obligations Constitute Qualifying Debt.

35. The Debtors have scheduled approximately \$1.04 million of state and local sales tax obligations as contingent—a position that, to MN Theaters' knowledge, no debtor has previously taken, including in these Debtors' previous chapter 11 case.¹⁵ Compare Sched. E/F, pt. 1 with Sched. E/F, pt. 1, *In re Cinemex I* (Bankr. S.D. Fla. Aug. 13, 2020), Dkt. No. 470 (listing tax claims as noncontingent); Sched. D, *In re Ink! Coffee Co.*, Case No. 24-13445 (Bankr. D. Colo. July 19, 2024), Dkt. No. 80 (listing various sales tax claims as noncontingent in a subchapter V case); Sched. E/F, pt. 1, *In re Phx. Worldwide Indus., Inc.* Case No. 09-23201, (Bankr. S.D. Fla. July 22,

¹⁵ The Debtors accept that their tax debts are liquidated. See Sched. E/F, pt. 1.

2009), Dkt. No. 48 (listing various trust fund tax claims as noncontingent; debtors represented by same counsel as the present Debtors).

36. These tax obligations resulted from second-quarter sales that undoubtedly occurred prior to the Petition Date. The Debtors assert (and MN Theaters accepts for the purposes of this Objection) that payment of the second-quarter sales tax was not due until some time after the Petition Date. On these facts, the Debtors argue that they were already holding a pot of money for the respective governments on the Petition Date, and would become liable only “if [the] withheld state taxes are not timely remitted.” Opp. to Committee Mot. ¶ 21.

37. The Debtors’ argument is incorrect for two reasons. *First*, state law does not provide that a business’s personal liability to disburse sales tax arises *only* after the business fails to remit the tax agency’s trust funds. Although it is surely *rare* for a tax agency to pursue remedies against a business before a payment deadline has passed, it is nevertheless *possible* for a tax agency to do so. In Florida,¹⁶ for instance, the Department of Revenue is empowered to institute a lien against a business’s property whenever the business becomes delinquent on its sales tax “*or [the sales tax] is otherwise in jeopardy.*” Fla. Stat. § 212.15(4) (emphasis added). In other words, the Department of Revenue may enforce its lien remedy against a business even before the business’s remittances have become delinquent. This remedy against the business’s non-trust assets could be possible only if the business has a personal liability to pay over sales tax before it has become delinquent. Another clue that personal liability attaches to a business at the moment of sale is that Florida law does not impose personal liability at any specific later point in time. While certain *penalties* can be assessed only after a failure to remit (§ 212.15(2)) or similar wrongful act (§ 213.29), no statutory provision announces that the personal liability for payments arises only after the deadline to transfer collected funds. And of course, there is a practical reality that money is fungible; businesses routinely pay “trust fund taxes” out of any funds available, without fussing over the precise pot of cash that theoretically constituted government property.

¹⁶ We focus on Florida which, along with its municipalities, is owed over three-fourths of the supposedly contingent sales tax debt.

38. *Second*, even if the Debtors are correct that no personal liability arises under state law until a business fails to remit sales taxes out of a “trust fund,” the Debtors still err by equating “debt” to the Debtors’ state-law personal liability. In fact, under the Bankruptcy Code, the concept of “debt” or a “claim”¹⁷ is significantly broader than *in personam* liability; these terms bear the “broadest possible” definition that Congress could devise, contemplating “all legal obligations of the debtor.” *Pa. Dep’t of Welfare v. Davenport*, 495 U.S. 552, 558 (1990) (quoting H.R. Rep. No. 95-595, at 309 (1977)). For instance, a unanimous Supreme Court held in *Johnson v. Home State Bank*, 501 U.S. 78 (1991), recognized a lender’s lien against a house is a “claim” distinct from the borrower’s underlying personal liability and could be administered in bankruptcy even if the underlying personal liability had been discharged in a previous bankruptcy case. *Johnson*, 501 U.S. at 85, 87–88. The Court arrived at this conclusion by treating the lien as either a “‘right of payment’ in the form of its right to the proceeds from the sale” or a “‘right to an equitable remedy’” in the form of foreclosure. *Id.* at 84.

39. Similarly, state and local authorities had “claims” against CB Theater Experience, LLC on the Petition Date because those authorities were due payment by a date certain, either from the Debtors or from assets held by the Debtors. As in *Johnson*, even if a tax agency’s payment right was limited on the Petition Date to payment from a specific asset, that right nevertheless constituted a “right to payment,” 11 U.S.C. § 101(5)(A) (emphasis added), because the operating Debtor had a duty to preserve, account for, *and pay over* the trust fund assets when due.

40. It is true that, in chapter 13 cases, courts have held that the secondary liability of a business’s *owner* becomes noncontingent once the business fails to pay its taxes when due. *See In re Mazzeo*, 131 F.3d 295, 303–304 (2d Cir. 1997); *In re Brown*, 302 B.R. 913, 916–917 (Bankr. D. Or. 2003). However, these cases are easily distinguishable because tax law makes a business owner liable only once the business fails to pay. It is rare that a chapter 13 debtor is a primary obligor of payroll or sales taxes, so it is hardly surprising that chapter 13 cases have not addressed

¹⁷ The words “debt” and “claim” are “coextensive.” *Pa. Dep’t of Welfare v. Davenport*, 495 U.S. 552, 557 (1990).

the nature of a business's primary liability. In a business's subchapter V case, the debtor itself is the entity responsible for paying its sales tax collections in the first instance. That obligation is enough, in these Chapter 11 Cases, for each relevant agency to hold a present, noncontingent claim against the operating Debtor and for the operating Debtor to owe a corresponding debt.

F. The Insurance Premium Financing Obligations Due to Perla Constitute Qualifying Debt.

41. Outside their Schedules, the Debtors have acknowledged owing \$56,128.61 to Perla as of the Petition Date. The Debtors' insurance motion (Dkt. No. 17) describes premium financing agreements with two providers: one agreement with IPFS and two with Perla Finance LLC ("Perla"). In each case, the financing companies advance money to insurers to cover premiums, and those advances are then due over the course of a year. *See* Debtors' Emerg. Mot. for Auth. to (I) Continue to Administer all Ins. Policies & Related Agrs.; (II) Continue Certain Related Premium Fin. Agrs.; and (III) Honor Certain Obligations in Respect Thereof ¶¶ 4–5 (July 1, 2025), Dkt. No. 17. The debts are liquidated, since the amounts have been reported in the Debtors' own motion, and the debts are noncontingent, since the financing companies had already advanced money toward the Debtors' insurance premiums as of the Petition Date.

42. The Debtors assert that the amount due to Perla is "not . . . a prepetition claim" because the Perla debts "came due on 7/1/2025," the day after the Petition Date. *See* Leggett Email, response to item 2. If this is truly the Debtors' position, then the Debtors are incorrect. It is possible that the debts to Perla were *unmatured* on the Petition Date, but the debts' unmatured status does not transform them into postpetition debts, any more than a prepetition loan is transformed into a postpetition debt simply because its maturity date falls in the future. *See Braniff Airways v. Exxon Co.*, 814 F.2d 1030, 1036 (5th Cir. 1987) ("The character of a claim is not transformed from prepetition to postpetition simply because it is . . . unmatured when the debtor's petition is filed." (quoting *In re Morristown Lincoln-Mercury, Inc.*, 42 B.R. 413, 417–418 (Bankr. E.D. Tenn. 1984))); *In re King*, 664 B.R. 356, 370 (B.A.P. 9th Cir. 2024) (treating unmatured claim as a qualifying prepetition claim for purposes of § 303); *In re Pan Am Hosp. Corp.*, 364 B.R. 839, 847 n.6 (Bankr. S.D. Fla. 2007) ("[A] pre-petition claim *may encompass a cause of action that, under the*

state law, is not cognizable until after the petition is filed.” (quoting with added emphasis *In re Highland Grp., Inc.*, 136 B.R. 475, 481 (Bankr. N.D. Ohio 1992))). The debts to Perla arose from a prepetition contract and prepetition advances; that is enough to make them prepetition debts. *See, e.g., McCarthy v. Radcliffe (In re Radcliffe)*, 317 B.R. 581, 591 (Bankr. D. Conn. 2004) (“Even a postpetition breach of a prepetition contract gives rise to a prepetition claim . . .”). Indeed, the Debtors themselves must have viewed these debts as prepetition debts, or else they would not have needed to move for authorization to pay.

43. The outstanding amount owed to IPFS was correctly reported on the amended Schedules as a Qualifying Debt in the amount of \$668,054.80. *See* Sched. E/F, line 3.119. However, the total outstanding amount of \$56,128.61 owed to Perla was omitted from the Schedules. *See* Sched. E/F, lines 3.182–3.183 (skipping from “Performance Food Group” to “Pfm Group Consulting” in alphabetical order). The debts to Perla and the debt to IPFS are indistinguishable, and both should be treated as Qualifying Debts.

G. The Obligation to Keymax Comercializadora Constitutes Qualifying Debt.

44. The Schedules include a contingent and unliquidated debt to Keymax Comercializadora SA de CV in the amount of \$136,648.89. *See* Sched. E/F at line 3.135. The Debtors have subsequently reconciled this claim in the amount of \$20,422.81. *See* Leggett Email, response to item 1.b. This reconciled amount is noncontingent because it related to prepetition services. It is liquidated because the now-acknowledged portion of the claim appears to derive from old unpaid invoices with known amounts.

CONCLUSION

45. For the foregoing reasons, the Debtors’ Qualifying Debt exceeds the Small Business Cap by a comfortable margin. The Court should therefore enter an order, in the form attached as **Exhibit A** to this Objection, striking the Small Business Designation and the Subchapter V Election, terminating the appointment of the Subchapter V Trustee, and granting such other relief as is just and proper.

Dated: September 3, 2025
Miami, Fla.

Respectfully submitted,

/s/ Paul Steven Singerman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Objection was served on this September 3, 2025, by electronic transmission through the Court's CM/ECF system, upon all parties registered to receive electronic notice in these cases, as reflected on the attached CM/ECF Service List; and by first class, U.S. Mail to all parties on the attached Master Service List to the extent that such parties were not served electronically through the Court's CM/ECF system.

/s/ Paul Steven Singerman

Paul Steven Singerman

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**Exhibit A to
Objection to Small Business Designation
Proposed Order**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re:

CINEMEX HOLDINGS USA, INC.,
CMX CINEMAS, LLC, and CB
THEATER EXPERIENCE LLC,¹

Chapter 11 (Subchapter V)

Case No. 25-17559-LMI

(Jointly Administered)

Debtors.

**ORDER STRIKING THE DEBTORS' DESIGNATIONS AS SMALL
BUSINESS DEBTORS AND THEIR ELECTIONS
TO APPLY SUBCHAPTER V**

¹ The Debtors in these cases and the last four digits of each Debtors' federal identification number are as follows: (1) Cinemex Holdings USA, Inc. (5502); (2) CMX Cinemas, LLC (1938); and (3) CB Theater Experience LLC f/k/a Cobb Theater Experience LLC f/k/a Cinemex NC, LLC (0563). The address for the Debtors is 4300 Biscayne Blvd, Suite 203, Miami, FL 33137.

Upon the objection (the “**Objection**”)² of MN Theaters 2006 LLC to the Debtors’ designation of themselves as small business debtors (as that term is defined in § 101(51D) of the Bankruptcy Code) and their election to apply subchapter V of chapter 11 of the Bankruptcy Code to these Chapter 11 Cases; and the Court having jurisdiction to hear the Objection and to enter this Order pursuant to 28 U.S.C. § 1334; and these chapter 11 cases having been referred to this Court pursuant to 28 U.S.C. § 157(a) by the Order of Reference entered by the U.S. District Court for the Southern District of Florida on March 27, 2012; and consideration of the Objection being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided; and after notice and a hearing (as defined in § 102 of the Bankruptcy Code); and the Court having determined that the legal and factual bases set forth in the Objection and in the record establish just cause for entry of this Order; the Court hereby **FINDS** that:

1. As of the filing of the voluntary petitions in these Chapter 11 Cases, the Debtors’ aggregate noncontingent liquidated secured and unsecured debts (excluding debts owed to one or more affiliates or insiders) (such debts, “**Qualifying Debts**”) exceeded \$3,424,000.

2. The Debtors’ Qualifying Debts include each of the following:

- a. no less than \$2,058,776.29 in Qualifying Debts that were listed as such by the Debtors on their most recently amended schedules of assets and liabilities;
- b. no less than \$690,511.64 in obligations to film distributors;
- c. no less than \$788,571.58 in wages and salaries for work performed from June 20 to June 29, 2025;
- d. no less than \$416,305.14 in employees’ accrued paid time off;
- e. no less than \$1,036,929.97 in sales tax obligations;
- f. no less than \$56,128.61 in insurance financing premiums not otherwise listed on the schedules of assets and liabilities; and
- g. \$20,422.81 owed to Keymax Comercializadora S.A. de C.V. on account of prepetition trade payables.

² Capitalized terms not otherwise defined in this Order bear the meanings ascribed to them in the Objection.

Accordingly, the Court **ORDERS** that:

3. The Small Business Designations and Subchapter V Elections in the Debtors' respective voluntary petitions are hereby struck.

4. The Chapter 11 Cases shall proceed under subchapters I through III of chapter 11 of the Bankruptcy Code, without regard to the Subchapter V Elections.

5. The appointment of the Subchapter V Trustee be terminated, effective immediately; *provided* that nothing in this Order shall prejudice the rights of the Subchapter V Trustee or any professional retained by the Subchapter V Trustee to apply for compensation and fee reimbursement with respect to services rendered through the entry of this Order.

6. This Order shall be effective and enforceable immediately upon its entry.

7. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

#

Submitted by:

Paul Steven Singerman (Florida Bar No. 378860)
BERGER SINGERMAN LLP
1450 Brickell Avenue
Suite 1900
Miami, FL 33131
Telephone: 1 (305) 755-9500
Email: Singerman@BergerSingerman.com

Paul Steven Singerman, Esq., is directed to serve this Order upon all non-registered users or registered users who have yet to appear electronically in this case and file a conforming certificate of service.

**Exhibit B to
Objection of MN Theaters 2006
Jaime Leggett Email, August 14, 2025**

Schak, Benjamin

From: Jaime Leggett <jleggett@bastamron.com>
Sent: Thursday, August 14, 2025 9:02 PM
To: Schak, Benjamin; Jeffrey Bast; Patty Tomasco; Alain Jaquet
Cc: Laukitis, Lisa; Schwartz, Jed; Iskender, Sibel; Tarek Kiem; Gold, Dan L. (USTP)
Subject: [EXT] RE: Cinemex (25-17559, Bkr. S.D. Fla.): Information Request
Attachments: Pavroll and human capital management services agreement 250122.pdf; corporate pto policy with signatures upload.pdf; Minnesota ESST Policy eff january 2024.pdf; PTO POLICY THEATER revised 9.28.23.pdf; Illinois Paid Leave Policy.pdf; Leave Balances 6.25.25.pdf

Ben,

We have worked with the Debtors to locate the requested information, and the below responses to your questions are subject to continuing review and discussion with the Debtors. Let me go through your questions in turn (in red):

1. *Scheduled Debts.*

- a. Our review of Schedule D and Schedule E/F indicates that the Debtors have listed \$2,058,776.29 of non-insider debt that is neither contingent nor unliquidated ("Qualifying Debt"). The Debtors estimated a lower number at the 341 meeting. Please provide the Debtors' calculation of the exact amount of scheduled debt that the Debtors believe is Qualifying Debt.

The amount of scheduled debt that is not owing to an insider, not contingent, and not unliquidated totals to \$1,906,765.73. The difference between this total and your amount is \$152,100.56, which is the total amount of new invoices that we received after the petition date for previously scheduled creditors. These new invoices (and the amounts sought therein) were not known to the Debtors on the petition date.

- b. For each claim listed as contingent and/or unliquidated on Schedule D and Schedule E/F, please indicate the Debtors' position on the amount of the portion of the claim (if any) that is neither contingent nor unliquidated

The Debtors are not aware of contingent and/or unliquidated claims that have a portion that is not contingent or unliquidated. Rather, a contingent and/or unliquidated claim would be contingent and/or unliquidated in whole. The Debtors are aware that the amount scheduled for Keymax Comercializadora was incorrect, as the amount is \$20,422.81, rather than \$136,648.89.

- c. Please indicate whether any scheduled claim (other than the secured debt purportedly owed to Wine and Roses SA de CV) is owed to an insider, as defined in the Bankruptcy Code. Please list all scheduled claims that are owed to an insider.

The Debtors are not aware of any other debts owing to an insider other than the Wine and Roses S.A. de C.V. secured debt.

2. *Insurance Obligations.* The Debtors insurance motion (ECF No. 17) indicates a total balance of \$56,128.61 due to Perla Finance LLC ("Perla") under two premium finance agreements, in addition to the amount of \$668,054.80 owed to IPFS. Please indicate the Debtors' position on the amount of debt owed to Perla as of

the petition date, whether those amounts are Qualifying Debt, and whether those amounts are reflected on the Schedules.

This \$56,128.61 amount owing to Perla Finance LLC represents the amount that came due on 7/1/2025. As such, this would not be a prepetition claim.

3. *Distributors*. We refer to “Distributors” as all companies engaged in the production and/or distribution of movies or other video programming for screening at the Debtors’ theaters. Without limitation, these include Buena Vista a/k/a Walt Disney, Lionsgate, Paramount, Sony, Universal, and Warner Bros.
 - a. Please provide the Debtors’ calculation, based on currently available information, of the amount of obligations in favor of each Distributor as of the petition date that had not been paid as of the petition date. Please include all such amounts, regardless of whether such amounts had been calculated or had become due for payment as of the petition date.

This information cannot yet be calculated. Film terms are variable and change based on the final North American gross for each film, which the Debtors do not have until the studio ends the showings of the film (even if this occurs after the Debtors stop showing the film). Stated differently, the terms can change based on the full run of the film. The payments the Debtors made were based on the information then available from Comscore as well as studio estimates. However, the amounts ultimately owing can increase or decrease from the estimated payments. The Debtors do not have a final number until the film is deemed final by the studio.

- b. In support of the foregoing, please provide a schedule of all payment and payment obligations to each Distributor that arose from screenings during June 2025. The schedule should indicate the amounts of each payment obligation, organized by (a) Distributor, (b) screening date, and (c) payment date.

Again, this information cannot yet be calculated. In addition, the terms with each distributor are confidential.

4. *PTO*.

- a. Please provide copies of all company policies relating to paid time off, vacation, sick leave or the like (collectively, “PTO”), as in effect immediately prior to filing of the Debtors’ chapter 11 petitions. If no such policies exist, please summarize the Debtors’ practices, including accrual of PTO, use of PTO, loss of PTO, and payment of PTO upon termination.

Attached please find copies of the leave-related policies.

- b. Please provide information sufficient to show the accrued time and dollar amount of each employee’s PTO as of the petition date, as well as the state or other jurisdiction in which each employee was employed and whether each employee is (in the Debtors’ view) an insider as defined in the Bankruptcy Code.

Attached please find a schedule of PTO amounts, which is being provided on a confidential basis given the sensitivities regarding employee pay information. These amounts are contingent on any particular employee qualifying for a payout of PTO.

5. *Payroll*

- a. Please confirm our understanding that the highlighted payment below (the “June 27 Payroll Funding”) was a pre-funding of estimated employee pay for the payroll period of Friday 6/20/25 through Thursday 7/3/25. If this is not correct, please describe the purpose of the June 27 Payroll Funding, including relevant payroll periods and the set of employees that this payment related to.

Case 25-17559-LMI Doc 77 Filed 07/1

CB Theater Experience LLC

Case No. 25-17563

SOFA 3. Certain payments or transfers to creditors within 90 days before filing this case

Creditor Name	Address
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX Total	

Confirmed.

- b. Please confirm that each employee whose estimated pay was covered by the June 27 Payroll Funding received a direct deposit from Paycom on 7/11/25 for the period 6/20/25 to 7/3/25. If this is not correct, please indicate the date and manner on which each employee received payment, and the corresponding dates of service.

Confirmed.

- c. Please provide information sufficient to show the amount of each employee’s wages and benefits (including any 401(k) match, insurance coverage, other benefits, and tax withholdings) that accrued during the period 6/20/25 to 6/29/25. Indicate whether each employee is (in the Debtors’ view) an insider as defined in the Bankruptcy Code. If any portion of those wages and benefits were satisfied through a disbursement other than the June 27 Payroll Funding, please indicate the date and manner in which the wages and benefits were satisfied.

We are working to gather this information. For the 401(k) match, that amount was paid on 7/18/2025 via Mid Atlantic Trust. The employer portion of the insurance coverage is paid monthly separately from payroll and was paid in full as of 6/30/2025.

- d. Please provide all agreements between the Debtors and Paycom. If the Debtors believe that Paycom acts as trustee, agent or escrow agent for any employee, please include any agreement that document that purported status.

Please find attached the agreement with Paycom. Additional agreement documents can be found here: paycom.com/agreements.

Best,

Jaime



JAIME BURTON LEGGETT
Partner

BAST AMRON LLP
One Southeast Third Avenue
Suite 2410
Miami Florida 33131

O:305.379.7904
D:305.357.4796
jleggett@bastamron.com
bastamron.com

[My LinkedIn Profile](#)

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From: Schak, Benjamin <bschak@milbank.com>
Sent: Wednesday, August 6, 2025 11:58 AM
To: Jeffrey Bast <JBast@bastamron.com>; Jaime Leggett <jleggett@bastamron.com>; Patty Tomasco <pattytomasco@quinnemanuel.com>; Alain Jaquet <alainjaquet@quinnemanuel.com>
Cc: Laukitis, Lisa <llaukitis@milbank.com>; Schwartz, Jed <JSchwartz@milbank.com>; Iskender, Sibel <SIskender@milbank.com>; Tarek Kiem <tarek@kiemlaw.com>; Gold, Dan L. (USTP) <Dan.L.Gold@usdoj.gov>
Subject: Cinemex (25-17559, Bkr. S.D. Fla.): Information Request

Dear Counsel,

Following yesterday's § 341 meeting, we would like to request certain further information from the Debtors. We request the information set forth below no later than this coming Sunday. Except where noted, references to the "Schedules" refer to the amended Schedules of Assets and Liabilities filed by CB Theater Experience LLC at ECF No. 147.

1. *Scheduled Debts.*

- a. Our review of Schedule D and Schedule E/F indicates that the Debtors have listed \$2,058,776.29 of non-insider debt that is neither contingent nor unliquidated ("Qualifying Debt"). The Debtors estimated a lower number at the 341 meeting. Please provide the Debtors' calculation of the exact amount of scheduled debt that the Debtors believe is Qualifying Debt.
- b. For each claim listed as contingent and/or unliquidated on Schedule D and Schedule E/F, please indicate the Debtors' position on the amount of the portion of the claim (if any) that is neither contingent nor unliquidated
- c. Please indicate whether any scheduled claim (other than the secured debt purportedly owed to Wine and Roses SA de CV) is owed to an insider, as defined in the Bankruptcy Code. Please list all scheduled claims that are owed to an insider.

2. *Insurance Obligations.* The Debtors insurance motion (ECF No. 17) indicates a total balance of \$56,128.61 due to Perla Finance LLC ("Perla") under two premium finance agreements, in addition to the amount of \$668,054.80 owed to IPFS. Please indicate the Debtors' position on the amount of debt owed to Perla as of

the petition date, whether those amounts are Qualifying Debt, and whether those amounts are reflected on the Schedules.

3. *Distributors*. We refer to “Distributors” as all companies engaged in the production and/or distribution of movies or other video programming for screening at the Debtors’ theaters. Without limitation, these include Buena Vista a/k/a Walt Disney, Lionsgate, Paramount, Sony, Universal, and Warner Bros.
 - a. Please provide the Debtors’ calculation, based on currently available information, of the amount of obligations in favor of each Distributor as of the petition date that had not been paid as of the petition date. Please include all such amounts, regardless of whether such amounts had been calculated or had become due for payment as of the petition date.
 - b. In support of the foregoing, please provide a schedule of all payment and payment obligations to each Distributor that arose from screenings during June 2025. The schedule should indicate the amounts of each payment obligation, organized by (a) Distributor, (b) screening date, and (c) payment date.
4. *PTO*.
 - a. Please provide copies of all company policies relating to paid time off, vacation, sick leave or the like (collectively, “PTO”), as in effect immediately prior to filing of the Debtors’ chapter 11 petitions. If no such policies exist, please summarize the Debtors’ practices, including accrual of PTO, use of PTO, loss of PTO, and payment of PTO upon termination.
 - b. Please provide information sufficient to show the accrued time and dollar amount of each employee’s PTO as of the petition date, as well as the state or other jurisdiction in which each employee was employed and whether each employee is (in the Debtors’ view) an insider as defined in the Bankruptcy Code.
5. *Payroll*
 - a. Please confirm our understanding that the highlighted payment below (the “June 27 Payroll Funding”) was a pre-funding of estimated employee pay for the payroll period of Friday 6/20/25 through Thursday 7/3/25. If this is not correct, please describe the purpose of the June 27 Payroll Funding, including relevant payroll periods and the set of employees that this payment related to.

Case 25-17559-LMI Doc 77 Filed 07/1

CB Theater Experience LLC

Case No. 25-17563

SOFA 3. Certain payments or transfers to creditors within 90 days before filing this case

Creditor Name	Address
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
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Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX	3489 Tx-121, Grapevine, TX 76051
Paycomgrapevine TX Total	

- b. Please confirm that each employee whose estimated pay was covered by the June 27 Payroll Funding received a direct deposit from Paycom on 7/11/25 for the period 6/20/25 to 7/3/25. If this is not correct, please indicate the date and manner on which each employee received payment, and the corresponding dates of service.

- c. Please provide information sufficient to show the amount of each employee's wages and benefits (including any 401(k) match, insurance coverage, other benefits, and tax withholdings) that accrued during the period 6/20/25 to 6/29/25. Indicate whether each employee is (in the Debtors' view) an insider as defined in the Bankruptcy Code. If any portion of those wages and benefits were satisfied through a disbursement other than the June 27 Payroll Funding, please indicate the date and manner in which the wages and benefits were satisfied.
- d. Please provide all agreements between the Debtors and Paycom. If the Debtors believe that Paycom acts as trustee, agent or escrow agent for any employee, please include any agreement that document that purported status.

All rights are reserved to request further information informally or to seek discovery under Bankruptcy Rule 2004.

Best,
Benjamin Schak

Benjamin Schak | [Milbank](#) | Special Counsel
55 Hudson Yards | New York, NY 10001-2163
T: +1 212.530.5705
bschak@milbank.com | milbank.com

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**Exhibit C to
Objection of MN Theaters 2006**

**Excerpts from Transcript
of Meeting of Creditors**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA

IN RE: CASE NO. 25-17559-LMI
CINEMEX HOLDINGS USA, INC.,
Debtor.

341 MEETING OF CREDITORS

August 4, 2025

The above-entitled cause came on for a Section 341 Meeting of Creditors before Dan Gold, one of the Trial Attorneys for the United States Trustee's Office, in the UNITED STATES BANKRUPTCY COURT, in and for the SOUTHERN DISTRICT OF FLORIDA, via telephone, on August 4, 2025, commencing at or about 3:00 p.m., and the following proceedings were had.

Transcribed from a digital recording by:
Cheryl L. Jenkins, RPR, RMR

APPEARANCES VIA TELEPHONE:

TAREK KIEM, Subchapter V Trustee

**DAN GOLD, Trial Attorney
Office of the U.S. Trustee
Department of Justice**

**BAST AMRON, by
JAIME LEGGETT, Esquire
On behalf of the Cinemex USA Real Estate Holdings,
Cinemex Holdings USA and CB Theater Experience, LLC**

**MILBANK, by
BENJAMIN SCHAK, Esquire
On behalf of MN Theaters**

**VENABLE, by
ALLISON DAY, Esquire
On behalf of EPR Tuscaloosa, LLC**

**IVAN GOLD, Esquire
On behalf of Coastland FS Anchor Parcel, LLC
and Tysons Galleria Anchor Acquisition, LLC**

**NASON YEAGER, by
JAMES SILVER, Esquire
On behalf of the Graham Companies**

**CATHERINE MARTIN, Esquire
On behalf of Simon Property Group**

CONTINUED APPEARANCES

MR. LEHANE, Esquire
On behalf of Heinz Global

- - - - -

WITNESS

Rafael Munoz	Page
Examination by Mr. Dan Gold	4
Examination by Mr. Kiem	27
Examination by Mr. Schak	50
Examination by Mr. Ivan Gold	67

1 MR. DAN GOLD: Good afternoon, everybody.
2 My name is Dan Gold. My last name is spelled G-O-L-D.
3 We are here for the 341 Meeting of Creditors for Case
4 Number 25-17559-LMI. This is the jointly administered
5 case of Cinemex Holdings USA, Inc., CMX Cinemas, LLC, and
6 CB Theater Experience, LLC.

7 Who do I have testifying for the debtors
8 today? This is --

9 MR. MUNOZ: Rafael Munoz.

10 MR. DAN GOLD: Okay. Good afternoon,
11 Mr. Munoz. My name is Dan Gold.

12 MR. MUNOZ: Good afternoon.

13 MR. DAN GOLD: At this time I would just ask
14 you to raise your right hand, even though I can't see you,
15 and do you solemnly swear to tell the truth, the whole
16 truth, and nothing but the truth regarding the assets,
17 liabilities, and operations of Cinemex Holdings and its
18 related debtors, so help you?

19 MR. MUNOZ: Yes, I swear.
20 Thereupon,

21 RAFAEL MUNOZ,
22 having been first duly sworn, was examined and testified
23 as follows:

24 EXAMINATION

25 BY MR. DAN GOLD:

1 questions I have at this time, Mr. Munoz. Thank you.

2 THE WITNESS: Okay. Thank you, Mr. Kiem.

3 MR. DAN GOLD: So, before we move on to
4 other creditors, hold on a sec, I just have to jump off
5 the record, and then we'll jump right back on. Okay.
6 We're jumping off the record.

7 (A recess was had, after which the following
8 proceedings were had:)

9 MR. DAN GOLD: We are back on for Cinemex
10 Holdings USA, Inc.

11 All right. I believe Mr. Schak, it is your
12 turn now, if you have questions for Mr. Munoz.

13 MR. SCHAK: Thank you. Are we back on the
14 record?

15 MR. DAN GOLD: We are. Go ahead.

16 MR. SCHAK: Okay. Great.

17 EXAMINATION

18 BY MR. SCHAK:

19 Q. Good afternoon, Mr. Munoz. Nice to meet
20 you.

21 A. Good afternoon. Nice meeting you, too.

22 Q. So, I'm with the law firm Milbank. We
23 represent MN Theaters, which is the landlord up for the
24 Minnesota entities, and I guess I'm up first.

25 So, I wanted to turn back to something

1 Mr. Gold brought up, which is the claims of the film
2 distributors. He mentioned Buena Vista, which there was a
3 line for about \$88,000, and you said that's the Walt
4 Disney Distribution Company, is that right?

5 A. That's correct.

6 Q. And then I also saw lines for Paramount,
7 Sony, Universal, and Warner Brothers. Are all four of
8 them also film distribution companies?

9 A. That's correct.

10 Q. And the debts listed for them, are those
11 entirely payments for their film distribution services?

12 A. Yes.

13 Q. Okay. So I want to understand a little
14 better how the billing and payment process works with
15 these companies. Maybe we can just take an example.

16 I know that Superman came out on Friday,
17 July 11th, and it was distributed by Warner Brothers. Did
18 you screen Superman at your theaters?

19 A. Yes, that is correct.

20 Q. Yeah, everyone did, right?

21 A. Yeah, to the best of my knowledge.

22 Q. So, is there an agreement out there with
23 Warner Brothers that documents how CMX calculates how much
24 it owes to Warner Brothers for a movie like Superman?

25 A. Yeah, the studio will tell us a certain

1 percentage that we will have to pay for a certain movie --

2 Q. Got it.

3 A. -- depending on our box office.

4 Q. Okay. So it's purely a percentage of the
5 box office, is that right?

6 A. That is right.

7 Q. And who makes that calculation? Who
8 calculates how much the sales were for a movie like
9 Superman, and as a result of that how much is owed?

10 A. Well, we have to wait for the final run, the
11 week run, that's the agreement with the studios. So, we
12 screen the movie for a week, and at the end of the week,
13 we will audit the attendance that we had, and then we'll
14 run an internal process, then we have to run it with a
15 platform called EMS, and that platform is a third-party
16 platform that also connects and sends information to the
17 studios regarding the attendance that we -- or the inputs
18 that we give it.

19 Q. Okay. So I want to unpack that a little.
20 When you say weekly attendance, which days of the week is
21 that based on, is that Tuesday through -- sorry, is that
22 Friday through Thursday?

23 A. Yes, it's usually Friday through Thursday.

24 Q. Okay. So, people come to the movies Friday
25 through Thursday, and the initial numbers are generated by

1 CMX internally, is that right?

2 A. That is correct.

3 Q. Okay, and then I think you mentioned there's
4 a third party called EMS that has a role in supplying
5 other information, and filtering the sales numbers to the
6 studio, is that right?

7 A. That is right.

8 Q. Okay, and so for a given week, let's just
9 take this week as an example, August 1st through
10 August 7th, when would the information for that week
11 ultimately get to the studio?

12 A. You're putting the August 1st through
13 August 7th?

14 Q. Sure, just as an example?

15 A. Okay. Well, on the 7th, we would need to
16 run, or start running our processes between the 11th and
17 the 12th of August, yeah, that would be the next Monday or
18 Tuesday, we would run our part -- yeah, then we would run
19 our part, usually on Tuesdays, we run our part then, then
20 the third-party software will run its processes during the
21 afternoon, and we will get the amount that we are owed
22 during the night. So, first thing Wednesday morning, we
23 will know, and the studio will also get the information
24 about how much we have to pay for that -- for the previous
25 week of showing the movie.

1 Q. Okay, and then, under normal circumstances,
2 when would you make the payment to the studio for that
3 week?

4 A. Under normal circumstances, on Thursday.

5 Q. Okay. So the next day after you get the
6 number that's owed.

7 A. Yeah, that would be under normal
8 circumstances.

9 Q. And where would you make that payment from,
10 like, which account?

11 A. From our operating accounts.

12 Q. And is that money, is that segregated in any
13 way, or held in trust for the distributors?

14 A. Yeah. Well, we hold that money. We know --
15 the details would be we have the money in our account, and
16 we will deposit it on a Thursday.

17 Q. Let me just ask it another way. Do you have
18 other money for operations in the same account?

19 A. Yes, we have money from other, not only from
20 the box office, in that account, other revenues.

21 Q. Okay, and I know I mentioned Superman, and I
22 mentioned the first week of August as examples, but is the
23 process we just went through typical for your process with
24 the studios?

25 A. Yes, that --

1 Q. Okay.

2 A. That would be the normal process. Not that
3 we do it all of the time like that, but that would be a
4 lot of the times, that would be the way that we do it.

5 Q. Okay. So I want to zoom in on the Warner
6 Brothers line on the schedules. So this is Page 70 of 75
7 at Row 3.268. Let me know when you're with me. Are you
8 in Docket Number 147, the amended --

9 A. Yes, sorry.

10 Q. Docket Number 147.

11 A. On what page?

12 Q. Page 70, 7-0.

13 A. Okay, yeah.

14 Q. Okay. So there's a figure there of about
15 \$360,000. Can you tell me where that figure comes from?

16 A. Yes. This was -- this is an estimation of
17 how much could have been owing to Warner Brothers. This
18 is just an estimation.

19 Q. Okay. So this is an estimate as of
20 June 30th, is that right?

21 A. Yeah, that's right, but still it was -- it's
22 an un-equivalent figure.

23 Q. Okay. So what sales dates would that
24 figure, would that estimate correspond to?

25 A. That would correspond to the last days of

1 the month.

2 Q. Okay, so if I'm looking at a calendar here,
3 I see Friday, June 20th, to Thursday, June 26th, would be
4 a one-week cycle, and at least normally, that would not be
5 paid until the next Thursday, July 3rd. Is that at least
6 how it would normally work?

7 A. So this would be a figure, yeah, for the
8 last days, but not including anything in July. Again,
9 there was no way of knowing what amount was owed. It
10 would only be a reference for some days of that week, but
11 not to June -- until June 30th.

12 Q. Okay. So I just want to focus on the week
13 that I was just mentioning, June 20th to June 26th.
14 That's a Friday through a Thursday, so it sounds like that
15 -- based on what you said before, that would normally be a
16 week that is calculated together, is that right?

17 A. Yeah, that's correct.

18 Q. Okay, and do you know, has that week been
19 paid for by Monday the 30th?

20 A. Yes, it must pay on Monday the 30th.

21 Q. Okay, and that would have been earlier than
22 the usual schedule, right?

23 A. A couple of days.

24 Q. Okay, but then I think you were going on to
25 talk about the period from Friday, June 27th, through that

1 weekend, up until the 29th or the 30th.

2 A. Of last year?

3 Q. Go ahead.

4 A. Yeah, for that week, we don't have -- or we
5 didn't have any, we didn't have any liquidated amount that
6 we could show or have, there was no --

7 Q. Okay. So --

8 A. -- (inaudible.)

9 Q. Okay. So that portion, from the 27th
10 onward, had not yet been paid on the 30th, am I right?

11 A. Yeah, no, nothing was due yet. The
12 calculation would have had to be done after the 3rd, you
13 know, starting on the 4th and onward.

14 Q. Okay.

15 A. There was no money at that moment.

16 Q. So just looking at this 360,000 number, is
17 that number then an estimate of June 27th onward?

18 A. Yeah, that would be just an, yeah, like an
19 estimate, we are including there, that's just a reference,
20 but no -- the real amount was not known, or there was no
21 real amount owed on the 30th.

22 Q. Since June 30th, have you figured out how
23 much was due for those dates at the end of June?

24 A. Yes, we -- yeah, after that, then we can
25 have, yeah, we have information about what was generated,

1 but that was after the 30th.

2 Q. Sitting here today, is CMX waiting for any
3 further information to know how much was owed to Warner
4 Brothers as of June 30th?

5 A. No.

6 Q. Okay, and if I were to go through all these
7 questions about the process, and the timing of payments
8 for all the other distributors that we talked about, for
9 Buena Vista, and for Paramount, and for Sony, and for
10 Universal, was it the same process that you paid early on
11 June 30th for the dates from June 20th to 26th, and then
12 there was still an outstanding amount for June 27th
13 onward?

14 MR. LEGGETT: Just objection with respect to
15 the word "outstanding". I think he testified that as of
16 the 30th, the amounts from the 27th to the 30th were not
17 outstanding.

18 BY MR. SCHAK:

19 Q. I'll just say not paid. Does that work?
20 And I can repeat that if you need me to.

21 A. They were not paid, and we didn't owe
22 anything to the distributors at that point.

23 Q. Okay. So the part that was not paid as of
24 June 30th was for movies shown on June 27th through
25 June 30th, is that right?

1 A. That's right.

2 Q. Okay. Thanks.

3 Out of curiosity, is Lionsgate, on 3.143, is
4 that another distributor?

5 A. Yes.

6 Q. And do you know why that one is listed as
7 undetermined, rather than having an estimate listed?

8 A. It was something really small, I think, and
9 the same at the time. There are sometimes movies that are
10 not showing all throughout the week, and would show just
11 for a day or so. So also no amount there at the moment.

12 Q. Okay. I'm going to ask you one more
13 question, and I understand you were not involved in the
14 previous case, but I'm still going to ask you in case
15 you're aware of the answer. Just looking at the schedules
16 of assets and liabilities that was filed in the first
17 case, I noticed that there are also figures for Warner
18 Brothers and Buena Vista and some of the other
19 distributors.

20 Do you know whether those liabilities have
21 also related to film distribution services?

22 A. I have no information.

23 Q. And do you know why those were not marked as
24 contingent in that case?

25 A. I do not know.

1 Q. And in this case, they are marked as
2 contingent. Do you know what are those debts to the
3 distribution companies? In your words, what are those
4 contingent on?

5 A. Well, they are contingent on the attendance,
6 the actual attendance, and what may happen, and how much
7 attendance -- how much box office we had.

8 Q. All right. Anything else?

9 A. No.

10 Q. Okay. That's all I have on the
11 distributors. I promise I'll be fairly quick because
12 Mr. Gold and Mr. Kiem addressed a lot of what I wanted to
13 address here, but I do want to just turn to your payroll
14 process, and I appreciate the work that your attorneys did
15 to provide some information that will make this shorter
16 than it otherwise would have been.

17 I understand that your company operates on a
18 biweekly payroll, is that right?

19 A. That is right.

20 Q. And payments are made two weeks in arrears,
21 is that right?

22 A. That is right.

23 Q. And the two-week period that people are paid
24 for, does that also begin on a Friday and end on a
25 Thursday, just like the film distribution period?

**Exhibit D to
Objection of MN Theaters 2006**

**Summary of Qualifying Debt
Listed on Schedule E/F**

Exhibit D:

Summary of Qualifying Debt Listed on Schedule E/F

Line (Sch. E/F)	Creditor	Amount
2.6	Miami Dade County	\$73,250.28
3.1	4 Imprint Inc	\$2,673.85
3.18	BGIS Integrated Technical Svcs US LLC	\$12,851.67
3.23	Bristol Pri, LLC	\$575.46
3.26	Centerpoint Energy	\$131.14
3.29	City of Burnsville Water	\$797.73
3.30	City of Clearwater	\$6,370.42
3.33	City of Gulf Shores Water & Sewer	\$203.20
3.35	City of Naples Water	\$6,080.70
3.36	City of Richmond	\$26,916.56
3.39	City of St Petersburg Water	\$6,225.65
3.41	City of Winter Haven Water Garbage	\$1,074.00
3.44	Coca-Cola Beverages Florida, LLC	\$28,593.68
3.45	Comcast Business	\$8,358.78
3.49	Cozzini Brothers, Inc.	\$146.57
3.50	D-Box USA, Inc	\$23,302.23
3.55	Deloitte Tax LLP	\$49,589.00
3.57	Deluxe & Echostar, LLC	\$180.00
3.59	Digital Cinema Distribution Coalition	\$945.00
3.61	DMAC Security LLC	\$2,325.84
3.66	Duke Energy-050 Countryside	\$15,510.92
3.67	E C Robins International Inc	\$819.96
3.68	Ecolab, Inc	\$9,301.17
3.70	Elite Mechanical Systems, LLC	\$1,215.00
3.74	Fire Prevention Systems Inc	\$600.00
3.76	Firemax Fire Protection	\$977.68
3.80	Forsyth County Health Department	\$625.00
3.83	FPL Energy Services	\$11,469.57
3.87	GDC Technology USA, LLC	\$9,360.00
3.88	Georgia Power	\$9,656.23
3.90	Gold Coast Beverage, LLC	\$870.34
3.92	Golden Link North America LLC	\$7,566.30
3.93	Gordon & Rees Scully Mansukhani	\$8,310.00
3.94	Gray Robinson	\$4,160.26
3.97	Gwinnett County Water Resources	\$1,149.67
3.101	Holiday House Distributing, LLC	\$243.57
3.105	Hoodz of Greater Palm Beach	\$1,767.50
3.106	Hop & Wine Beverage, LLC	\$402.00
3.108	Hvac Unlimited, Inc	\$1,327.00
3.110	Imax Corp	\$19,839.66
3.114	Incredible Flavors, LLC	\$1,416.30
3.116	Influx Interactive Technology, LLC	\$4,954.42
3.119	IPFS Corp	\$668,165.37

Exhibit D:

Summary of Qualifying Debt Listed on Schedule E/F

Line (Sch. E/F)	Creditor	Amount
3.121	James River Air Conditioning Co	\$7,513.90
3.123	Jianna Ewuresi John	\$400.00
3.129	Keter Coastland	\$4,595.57
3.130	Keter Downtown	\$2,913.67
3.131	Keter Siesta Key	\$8,621.18
3.132	Keter Stony Point	\$1,945.71
3.133	Keter Tysons	\$3,692.76
3.134	Keter Wellington	\$3,577.16
3.137	Konica Minolta Business Solutions	\$5,477.40
3.139	Liberty Center LLC	\$61,041.80
3.141	Light My Brand, LLC	\$8,705.88
3.142	Lingo Telecom LLC	\$2,119.55
3.147	Long Beverage, Inc	\$266.00
3.156	Minnesota Energy Resources	\$59.59
3.157	Mor Printing, Inc	\$976.23
3.160	Mullen Coughlin LLC	\$6,313.00
3.174	Ohio Bureau of Workers' Comp	\$1,729.31
3.175	Olmsted County Prl	\$2,290.07
3.182	Performance Fund Group, Inc	\$106,451.87
3.187	Premier Beverage Co, LLC 400	\$3,245.80
3.189	Prisa III Reit Operating LP	\$217,930.68
3.191	PVG Insurance Group, LLC	\$56,128.60
3.192	Pye Barker Fire & Safety	\$5,474.54
3.194	Quality Retail Systems	\$560.51
3.200	Restaurant Technologies, Inc	\$12,061.62
3.204	Roto Rooter Services	\$963.29
3.205	Royal Corp	\$127,780.99
3.207	RP Plaza Property, LLC	\$130,062.50
3.212	Samantha Quintana	\$300.00
3.217	Sedgwick Claims Management Services Inc	\$46,533.49
3.218	Service Distributing, Inc	\$429.36
3.222	Silversky Inc	\$5,514.40
3.224	Skyline Fire Solutions	\$134.40
3.227	Snapco	\$3,197.28
3.231	Southern Glazer's Wine & Spirits of MN	\$194.45
3.232	Southern Wine & Spirits	\$5,943.55
3.239	Sunfresh Produce Inc	\$3,349.44
3.241	Sweetwater PD	\$5,733.00
3.242	T-Mobile Usa Inc	\$10,286.93
3.244	Taw Power Systems	\$198.88
3.247	The Boxoffice Co LLC	\$1,163.30
3.248	The Icee Co	\$91,020.69
3.258	Utility Management Solutions	\$1,563.70

Exhibit D:

Summary of Qualifying Debt Listed on Schedule E/F

Line (Sch. E/F)	Creditor	Amount
3.261	Verizon Wireless	\$1,464.78
3.263	Village of Skokie	\$3,689.52
3.264	VIP Luxury Seating, LLC	\$20,075.81
3.267	Wake County Tax Administration	\$96.23
3.275	Waste Management Doral	\$4,633.03
3.276	Waste Management Pinnacle	\$598.96
3.279	Waste Pro-Daytona Beach	\$1,255.80
3.280	Wasteless Solutions, LLC	\$4,777.80
3.283	Winbran, Inc	\$33,422.63
TOTAL		\$2,058,776.29

**Exhibit E to
Objection of MN Theaters 2006
Paycom Agreement**



Payroll and Human Capital Management Services Agreement

This Payroll and Human Capital Management Services Agreement ("PHCMSA"), effective as of the Effective Date below, is by and between Paycom Payroll, LLC, a Delaware limited liability company whose corporate headquarters is located at 7501 W. Memorial Road, Oklahoma City, OK 73142 (hereinafter "Paycom") and the undersigned Client (hereinafter "Client").

Paycom and Client agree that this PHCMSA, the General Terms and Conditions (www.paycom.com/agreements), as may be amended from time to time as provided for therein (the "GTC"), and all of the applicable service component Schedules (www.paycom.com/agreements) ("Schedules") shall apply to all services provided by Paycom to Client except for certain standalone services governed by separate agreements. The GTC and the applicable Schedules are incorporated by reference herein as if fully set forth herein. All of Paycom's services provided to Client, but excluding the background screening services, shall be and are collectively referred to as the "Services." This PHCMSA, the GTC and the applicable service component Schedules shall be and are collectively referred to as the "Agreement."

Subject to the terms and conditions of the Agreement, Paycom agrees to perform and Client hereby engages and hires Paycom to perform on Client's behalf each of the Services indicated on proposal(s) acknowledged by Client and as more specifically described in this Agreement.

Subject to the terms and conditions of this Agreement, Paycom shall make available to Client each service component of the Services promptly after Client provides Paycom with the information and documents that Paycom requires to begin performing the subject Services.

Paycom's Services are based upon information and instructions provided by Client. Client is solely responsible for the accuracy and completeness of all information and instructions provided to Paycom. Notwithstanding anything to the contrary in this Agreement, Paycom shall not be liable or responsible for errors or omissions arising from Paycom's reliance upon Client's instructions or incorrect or incomplete information, designations, elections, or instructions provided by Client.

Notwithstanding anything to the contrary in this Agreement, the Services provided by Paycom expressly do not include the rendering of legal, tax, accounting, or investment advice to Client or Client's employees.

LIMITATIONS OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, BUT EXCEPT AS TO THOSE MATTERS PROVIDED FOR IN SECTIONS 12 AND/OR 24 OF THE GENERAL TERMS AND CONDITIONS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES TO LOST ANTICIPATED SAVINGS), WHETHER FORESEEABLE OR NOT AND HOWEVER CAUSED, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY THAT SUCH DAMAGES MIGHT ARISE. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EXCEPT AS LIMITED FURTHER BY THE AGREEMENT AND EXCEPT FOR THE ITEMS DESCRIBED IN SECTIONS 24.1 THROUGH 24.8 OF THE GENERAL TERMS AND CONDITIONS, THE AGGREGATE LIABILITY OF EACH PARTY TO THE OTHER FOR ANY OR ALL LOSSES OR INJURIES FROM ANY ACTS OR OMISSIONS UNDER THIS AGREEMENT OR FROM ANY SERIES OF BREACHES ARISING OUT OF THE SAME ERROR, ACT, INCIDENT, OR OMISSION, REGARDLESS OF THE NATURE OF THE LEGAL OR EQUITABLE RIGHT CLAIMED TO HAVE BEEN VIOLATED, SHALL UNDER NO CIRCUMSTANCES EXCEED AND SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE FEES PAID BY CLIENT TO PAYCOM UNDER THIS AGREEMENT DURING THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST OCCURRENCE OF THE ALLEGED BREACH, OR SERIES OF BREACHES ARISING OUT OF THE SAME ERROR, ACT, INCIDENT, OR OMISSION, FOR THE SERVICE COMPONENT(S) WHICH IS/ARE THE SUBJECT OF THE ALLEGED BREACH.

All issues and questions concerning the construction, validity, enforcement, performance and interpretation of the Agreement, the parties' business dealings now or hereafter, and the parties' corresponding, contemporaneous and/or subsequent agreements shall be governed by, and construed in accordance with, the laws of the State of Oklahoma. With respect to any claim arising out of the Agreement, the parties' business dealings and/or the parties' corresponding, contemporaneous and/or subsequent agreements, each party irrevocably submits to the exclusive jurisdiction and exclusive venue of the State or U.S. Federal courts located in Oklahoma County, Oklahoma.

The PHCMSA, GTC and any applicable Schedule are intended to contain supplemental and complementary terms and conditions. In the event of a direct conflict between the terms of the PHCMSA, the GTC and any Schedule such conflict shall be resolved in the following order, from highest priority to lowest priority: (1) PHCMSA; (2) GTC; and (3) the applicable Schedule. Notwithstanding the foregoing sentence, any terms in such Schedule that are specific to the service provided in the Schedule, as distinguished from general contract terms, shall control over (1) and (2).

Client and the undersigned individual each represent that the signatory to this Agreement is authorized to enter into such agreement on behalf of Client.

By signing below, Client agrees that it has (1) received the Agreement, (2) had an opportunity to read the Agreement and (3) agrees to be bound by the terms of the Agreement.

IN WITNESS WHEREOF, Paycom and Client have executed this Agreement to be effective _____ (the "Effective Date").

AGREED AND ACCEPTED BY CLIENT:

CMX Cinemas, LLC

COMPANY LEGAL NAME

Luis Castelazo Ximera Carreno CBDO CO

TYPE OR PRINT NAME TITLE

[Signature] [Signature]

AUTHORIZED SIGNATURE

FEIN: 86-1401938

PAYCOM PAYROLL, LLC d/b/a PAYCOM:

[Signature]

AUTHORIZED SIGNATURE

Chris Thomas

TYPE OR PRINT NAME

Reporting Agent

TITLE