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*Co-Counsel to Ad Hoc Group of First Lien Lenders
 and Administrative Sub-Agent*

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:

CONDUIT POST, LLC,

Debtor.¹

Case No.: 25-15720-mkn
 Chapter 11

**MOTION TO PROHIBIT CASH
 COLLATERAL USE**

Hearing Date:
Hearing Time:

The ad hoc group of first lien lenders (the “*Ad Hoc Group*”) and CION Agent, LLC, in its capacity as administrative sub-agent (in such capacity, the “*Agent*”), hereby request entry of an order prohibiting the use of Cash Collateral (as defined below) and respectfully state as follows:

PRELIMINARY STATEMENT

1. These Chapter 11 Cases are the subject of a pending motion to dismiss because they were filed in bad faith by ousted former managers who lacked authority to act on behalf of the

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

Purported Debtors.² See ECF No. 9 (the “*Motion to Dismiss*”). Notably, the Purported Debtors have not filed any of the customary “first day” motions typically used to seek authority to take essential actions necessary to stabilize operations, reassure employees and vendors, and preserve business value during the transition into bankruptcy. This omission underscores that these cases are not genuine reorganizations, but rather naked forum shopping tactic engineered by imposters who are determined to hold the lenders’ collateral hostage for as long as possible. Those responsible for this value-destructive behavior will be held responsible.

2. In the meantime, the Ad Hoc Group is concerned about the dissipation of cash and seeks entry of an order, substantially in the form attached hereto as Exhibit A, prohibiting use of Cash Collateral (as defined in Section 363(a) of the Bankruptcy Code) without the Ad Hoc Group’s consent and requiring the Purported Debtors to sequester, segregate, and account for all Cash Collateral.

3. Counsel for the Ad Hoc Group advised the Purported Debtors’ counsel of this Motion in advance of its filing. In response, Purported Debtors’ counsel represented that Cash Collateral has not yet been used, would not be used without approval and that a budget was being prepared. Those representations, however, do nothing to allay the Ad Hoc Group’s well-founded concerns regarding transparency. The Purported Debtors’ insiders have already demonstrated their willingness to engage in self-dealing by causing the Purported Debtors to divert Cash Collateral for their own benefit. Indeed, just days before defaulting on a required interest payment owed to the Ad Hoc Group, the Purported Debtors made a \$12.9 million distribution to equity holders—conduct that reeks of collusion, self-dealing, and bad faith. Moreover, the Ad Hoc Group recently learned of a Transition Services Agreement, dated February 7, 2025, among certain of the Purported Debtors and their non-debtor affiliates (the “*TSA*”). The Ad Hoc Group suspects that its Cash Collateral was diverted to make payments under the TSA—payments that are expressly prohibited under Section 6.07(b) of the Credit Agreement (as defined below). The Ad Hoc Group

² The Purported Debtors are comprised of each of the Debtors *except* for Thrill Intermediate LLC. For the avoidance of doubt, the Motion to Dismiss seeks dismissal of the Chapter 11 Cases (a) solely with respect to the Purported Debtors, on the basis of unauthorized, *ultra vires* filing and (b) with respect to all Debtors on the basis of bad-faith filing. See Motion to Dismiss at 1; ¶¶ 57-66.

intends to pursue direct claims against these parties and will assert the priority of its perfected liens over any purported interests of the insider transferees under Section 9-332(b) of the Uniform Commercial Code.

JURISDICTION

4. Solely for purposes of consideration of this Motion and without waiver of any rights as set forth in the Motion to Dismiss, this Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334, and this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(M). The statutory predicates for the relief requested in this Motion are sections 105, 361, 362 and 363 of the Bankruptcy Code.

FACTS

5. The Purported Debtors generate revenue from the production of television content for MTV, pursuant to a series of contracts (the “*MTV Contracts*”).

6. Debtor Thrill Holdings LLC (“*Thrill Holdings*”) borrowed approximately \$83.7 million, exclusive of accrued and accruing interest, fees, costs, and charges (collectively, the “*Obligations*”) from the members of the Ad Hoc Group pursuant a Credit Agreement, dated as of May 27, 2022 (as amended, the “*Credit Agreement*”). The Obligations were guaranteed by each of the other Purported Debtors except for Nitrocross IP Holdings, LLC.

7. The Purported Debtors’ secured their respective Obligations by granting liens and security interests (collectively, the “*Liens*”) on substantially all of their property, including accounts, receivables, chattel paper, money, deposit accounts, instruments, investment property, general intangibles, contracts, goods, and proceeds of the foregoing (collectively, the “*Collateral*”) pursuant to a Security Agreement, dated as of May 27, 2022, and a Security Agreement Supplement, dated as of January 30, 2023 (collectively, the “*Security Agreement*”). The Liens were validly perfected by filing UCC-1 financing statements.

8. The Purported Debtors apparently maintain millions of dollars in cash across at least twenty-one (21) bank accounts with City National Bank (collectively, the “*Deposit Accounts*”). Under the Uniform Commercial Code, a security interest in cash held in a deposit account is perfected either (a) through a deposit account control agreement (a “*DACA*”), or (b) as a matter of

law when, as here, the cash constitutes identifiable cash proceeds of other collateral in which there was a perfected security interest. See N.Y. U.C.C. § 9-315(a), (c), (d). The cash in the Deposit Accounts constitutes Cash Collateral within the meaning of the Bankruptcy Code because it is readily traceable as identifiable proceeds of the Collateral—namely, the MTV Contracts (which appear to be the Purported Debtors’ sole source of revenue). Although the Purported Debtors have not delivered DACAs to the Ad Hoc Group—in breach of Section 5.12 of the Credit Agreement—that failure does not impair the perfection or validity of the Liens on the Cash Collateral because it is readily traceable to other collateral.

BASIS FOR RELIEF

I. The Ad Hoc Group Does Not Consent to the Use of Cash Collateral

9. The Bankruptcy Code imposes an unequivocal prohibition: a debtor may not use Cash Collateral without the express consent of each entity holding an interest in such collateral or a court order entered after notice and a hearing. 11 U.S.C. § 363(c)(2)(B). The statute is mandatory, not permissive. *See id.* Moreover, under section 363(e), the court may authorize such use only if every entity with an interest in the cash collateral is “adequately protected.” *Id.* at § 363(e) (providing that, upon request, the court “shall prohibit or condition such use ... as is necessary to provide adequate protection of such interest”). The burden of compliance rests squarely on the debtor; the law affords no grace for gamesmanship or disregard of secured creditors’ rights.

10. The members of the Ad Hoc Group ***do not consent*** to the use of Cash Collateral. Any unauthorized use would constitute a clear violation of sections 363(c)(2) and (e) and an intentional infringement of the Ad Hoc Group’s property interests.

11. Even if the Purported Debtors sought to use Cash Collateral without consent, they bear the heavy burden of proving that the Ad Hoc Group’s interests in the Cash Collateral are “adequately protected.” 11 U.S.C. § 363(p)(1).³ The Bankruptcy Code provides only limited means to establish adequate protection—cash payments, additional liens, or the “indubitable equivalent”

³ For the avoidance of doubt, this Motion constitutes a request for adequate protection under section 363(e) of the Bankruptcy Code for the use of Cash Collateral and under section 362(d) for adequate protection relating to the other Collateral.

1 of the creditor's interest. 11 U.S.C. § 361. Adequate protection is a constitutional safeguard rooted
2 in the Fifth Amendment's protection against uncompensated takings. *See* H.R. Rep. No. 595, 95th
3 Cong., 1st Sess. 339 (1977) ("The concept is derived from the fifth amendment protection of
4 property interests."). Its purpose is to ensure that a secured creditor's interest, valued as of the
5 petition date, is fully preserved. *See United Sav. Ass'n v. Timbers of Inwood Forest Assocs.*, 484
6 U.S. 365, 370 (1988). As the Ninth Circuit BAP has made clear, the chief aim of adequate
7 protection is to provide secured creditors, as nearly as possible under the circumstances of the case,
8 with the value of their bargained-for rights. *See Security Leasing Partners, LP v. ProAlert, LLC (In*
9 *re ProAlert, LLC)*, 314 B.R. 436, 441 (9th Cir. BAP 2004). Whether protection is adequate
10 "depends directly on how effectively it compensates the secured creditor for loss of value" resulting
11 from the debtor's use of the collateral. *In re Am. Mariner Indus., Inc.*, 734 F.2d 426, 432 (9th Cir.
12 1984) (internal quotations omitted). The Purported Debtors have neither sought to provide nor
13 could establish any form of adequate protection in these circumstances to justify non-consensual
14 use.

15 12. Section 363(c)(4) independently mandates that a debtor "shall segregate and
16 account for" all cash collateral. 11 U.S.C. § 363(c)(4); *see Scottsdale Medical Pavilion v. Mutual*
17 *Benefit Life Ins. in Rehabilitation (In re Scottsdale Medical Pavilion)*, 159 B.R. 295 (B.A.P. 9th
18 Cir. 1993), *aff'd*, 52 F.3d 244 (9th Cir. 1995) (ruling that chapter 11 debtors are automatically
19 required upon filing to segregate and account for cash collateral). Immediate remedial relief is
20 necessary to safeguard the Ad Hoc Lenders' rights and to prevent the risk of dissipation of their
21 collateral.

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1 **WHEREFORE**, for the reasons set forth herein, the Ad Hoc Group and the Agent
2 respectfully request that the Court enter an order (a) prohibiting the use of Cash Collateral, (b)
3 directing the Purported Debtors to sequester, segregate and account for all Cash Collateral and (c)
4 granting such other and further relief as is just and necessary.

5 Dated: October 7, 2025

McDONALD CARANO LLP

6 By: /s/ Ryan J. Works

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24 *Co-Counsel to the Ad Hoc Group of First Lien*
25 *Lenders and the Administrative Sub-Agent for*
26 *First Lien Lenders*
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EXHIBIT A

Proposed Order

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

In re:

THRILL INTERMEDIATE LLC,

Debtor.⁴

Case No.: 25-15714-mkn
Chapter 11

ORDER PROHIBITING CASH COLLATERAL USE

Upon the *Motion to Prohibit Cash Collateral Use* (the “***Motion***”);⁵ and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and upon consideration of the entire record of the Chapter 11 Cases; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be provided; and after due deliberation, and good and sufficient cause appearing therefor, **IT IS HEREBY ORDERED:**

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

⁴ The debtor affiliates of Thrill Holdings LLC, along with the case numbers of their respective chapter 11 cases pending before this Court, are: Thrill Intermediate LLC, Case No. 25-15714-mkn; Superjacket Productions LLC, Case No. 25-15716-mkn; Purple Shark, LLC, Case No. 25-15717-mkn; Perfect Feet Productions, LLC, Case No. 25-15718-mkn; Crown Media Entertainment, LLC, Case No. 25-15719-mkn; Conduit Post, LLC, Case No. 25-15720-mkn; Nitrocross IP Holdings LLC, Case No. 25-15721-mkn; and Nitro Rallycross LLC, Case No. 25-15722-mkn. The service address for each of the Debtors in these Chapter 11 Cases is 10801 W. Charleston Boulevard, Suite 600, Las Vegas, NV 89135.

⁵ Capitalized terms used but not otherwise defined in this Order have the meanings set forth in the Motion.

1
2 2. The Debtors are prohibited from using the Cash Collateral absent further order from
3 this Court.

4 3. The Debtors are ordered to sequester, segregate, and account for all Cash Collateral
5 in accordance with section 364(c)(4) of the Bankruptcy Code.

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

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

10 **IT IS SO ORDERED.**

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1 In accordance with LR 9021, counsel submitting this **ORDER PROHIBITING CASH**
2 **COLLATERAL USE** certifies that the order accurately reflects the court's ruling and that (check
3 one):

- 4 ☐ The Court has waived the requirement set forth in LR 9021(b)(1).
5 ☐ No party appeared at the hearing or filed an objection to the motion.

6 ☐ I have delivered a copy of this proposed order to all counsel who appeared at the
7 hearing, and any unrepresented parties who appeared at the hearing, and each has approved or
8 disapproved the order, or failed to respond, as indicated below [list each party and whether the
9 party has approved, disapproved, or failed to respond to the document].

10 ☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this
11 order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content
12 of the order.

13 Submitted by:

14 McDONALD CARANO LLP

15 By: /s/ Ryan J. Works

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