

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

LUCKY BUCKS LLC, *et. al.*,

Debtors.¹

Chapter 11

Case No. 23-10758

(Jointly Administered)

Re: D.I. 4, 5, 145 & 146

Objection Deadline:

July 17, 2023 at 4:00 p.m. (ET)

Hearing Date:

July 24, 2023 at 9:30 a.m. (ET)

**RESERVATION OF RIGHTS AND LIMITED OBJECTION OF AD HOC GROUP OF
HOLDINGS PIK NOTEHOLDERS TO OPCO DEBTORS' PLAN**

The Ad Hoc Group of Holdings PIK Noteholders (the “Ad Hoc Group”),² holders of 100% of the outstanding notes (“Holdings PIK Notes”) issued by Lucky Bucks Holdings LLC (“Holdings”), by and through its undersigned counsel, hereby files this reservation of rights and, to the extent necessary, limited objection to the *Joint Chapter 11 Plan for Lucky Bucks, LLC, Lucky Bucks HoldCo, LLC, and Lucky Bucks Holdings LLC* (D.I. 5) (as may be amended, modified, or supplemented from time to time and including all exhibits or supplements thereto, including the Plan Supplement, the “Joint Plan”).³ The Ad Hoc Group incorporates by reference its *Motion to*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal identification number, include: (i) Lucky Bucks, LLC (“Lucky Bucks”) (4376); (ii) Lucky Bucks HoldCo, LLC (“HoldCo and, together with Lucky Bucks, the “OpCo Debtors”) (0081); and (iii) Lucky Bucks Holdings LLC (3221). The Debtors’ primary mailing address is 5820 Live Oak Parkway, Suite 300, Norcross, Georgia 30071.

² The Ad Hoc Group is comprised of funds managed by BC Partners, CION Investment Corporation, First Trust Capital Management, Hamilton Lane Advisors, L.L.C., Marathon Asset Management LP, and Monarch Alternative Capital LP.

³ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Joint Plan.

Convert Lucky Bucks Holdings LLC's Chapter 11 Case to a Chapter 7 Case (D.I. 50), the *Reply in Further Support of Motion to Convert Lucky Bucks Holdings LLC's Chapter 11 Case to a Chapter 7 Case* (D.I. 128), and the Court's June 30, 2023 bench ruling (D.I. 133), and further respectfully states as follows:

1. At the hearing held on June 30, 2023, the Court found cause to convert Holdings' chapter 11 case to a chapter 7 case, but determined to hold Holdings' chapter 11 case in abeyance pending the effectiveness of the OpCo Plan. Thereafter, the Debtors elected to sever the OpCo Plan from the Holdings Plan⁴ and are pressing forward to a confirmation hearing currently scheduled for July 24, 2023 on the OpCo Plan. On July 10, 2023, the OpCo Debtors filed their *Proposed Findings of Fact, Conclusions of Law, and Order Confirming the OpCo Debtors' Joint Chapter 11 Plan and Approving the Disclosure Statement as It Relates Thereto* (D.I. 145) and the *Plan Supplement for the OpCo Plan* (D.I. 146).

2. The Ad Hoc Group does not take issue with the OpCo Debtors' efforts to restructure the OpCo Debtors' estates and confirm the OpCo Plan on a standalone basis. But the OpCo Plan as currently drafted could be read to impair the interests of the Holdings' estate and its only creditors—the Ad Hoc Group. For example, the OpCo Plan exculpates members of the Holdings' Board of Managers, officers of Holdings, and the Holdings Settling Parties, which include Holdings' private equity sponsors.⁵ The exculpated claims and conduct cover, among

⁴ The OpCo Plan is embodied in the Joint Plan filed at D.I. 5. At this time, the Debtors have not filed an amended plan and disclosure statement.

⁵ OpCo Plan, Section I(A) (defining "Exculpated Parties" to include "the Debtors' officers, members of the Board of Managers of any Debtor, the managing member (or comparable governing body or Person) of any Debtor, and employees of any Debtor" and the "Holdings Settling Parties"); Section VIII(A)(4) ("[N]o Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and Exculpated from any Claims and Causes of Action related to any act or omission in connection with, relating to, or arising out of . . . and any prepetition transactions relating to any of the foregoing, including any allegedly preferential or fraudulent transfer, or

other things, “Definitive Documents”, which includes the Holdings Settlement, and “any prepetition transactions relating [thereto], including any allegedly preferential or fraudulent transfer, or another claim arising under chapter 5 of the Bankruptcy Code or other applicable law . . . any other related act or omission, transaction, event, or other occurrence taking place on or before the OpCo Plan Effective Date[.]” OpCo Plan, Section VIII(A)(4).

3. As detailed in the Ad Hoc Group’s papers in support of its motion to convert Holdings’ chapter 11 case to a chapter 7 case, Holdings’ assets comprise valuable claims (the “Holdings Claims”) against Holdings’ owners and insiders. Holdings is entitled to pursue and recover on the Holdings Claims, but the OpCo Plan’s exculpation clause could be read to exculpate and release Holdings’ owners and insiders from liability related to the Holdings Claims.⁶

4. The Ad Hoc Group objects to the confirmation of the OpCo Plan to the extent the OpCo Plan would impact Holdings, its estate, or its creditors, or impair any claims, rights or interests of the Holdings estate and its creditors. The order confirming the OpCo Plan should make clear that nothing therein, in the OpCo Plan, or any of the documents or instruments being approved, entered into, or implemented in connection with the OpCo Plan, shall in any way impair or otherwise affect the Holdings’ estate, the Holdings Claims, or any claims, rights, or interests of Holdings, its estate or its creditors.

5. The Ad Hoc Group reserves and preserves all of its rights with respect to the confirmation of the OpCo Plan, including, without limitation, the right to object to any aspect or provision included in any amended OpCo Plan, Disclosure Statement, Plan Supplement and/or

another claim arising under chapter 5 of the Bankruptcy Code or other applicable law”); Section VIII(A)(5) (extending discharge injunction to Exculpated Parties).

⁶ While certain provisions of the Joint Plan are specific to either the OpCo Plan or the Holdings Plan, these exculpation provisions are applicable under both plans.

any revised proposed order confirming such OpCo Plan and Disclosure Statement filed hereafter and reserves and preserves its right to amend and/or supplement this reservation of rights and limited objection.

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WHEREFORE, for the reasons set forth herein, the Ad Hoc Group respectfully requests that any order confirming the OpCo Plan be consistent with the foregoing.

Dated: July 17, 2023
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

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