

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

In re:

AGDP HOLDING INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-11446 (MFW)

(Jointly Administered)

AGDP HOLDING INC., *et al.*,

Plaintiff,

v.

Adv. Proc. No. 25-51803 (MFW)

TVT Capital Source LLC, White Star Funding
Inc. d/b/a TVT Cap, Insta Funding LLC, and
Pinnacle Business Funding LLC,

Defendants.

FIRST AMENDED COMPLAINT

Plaintiffs Avant Gardner, LLC, AGDP Holding Inc., EZ Festivals, LLC, Made Event, LLC, and Reynard Productions, LLC (collectively “Plaintiff” or “Debtor” or “Avant Gardner”), debtors in the above-captioned Chapter 11 cases, by and through undersigned counsel, respectfully brings this adversary proceeding pursuant to sections 502, 544, 547, and 548 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”); Rules 7001 and 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); against Defendants TVT Capital Source LLC (“TVT”), White Star Funding Inc. d/b/a TVT Cap (“TVT Cap”), Insta

¹ The Debtors in these chapter 11 cases, together with the last four digits of the Debtors’ federal tax identification number, are AGDP Holding Inc. (6504); Avant Gardner, LLC (6504); AG Management Pool LLC (9962); EZ Festivals LLC (8854); Made Event LLC (6272); and Reynard Productions, LLC (5431). The Debtors’ service address is 140 Stewart Ave, Brooklyn, NY 11237, Attn: General Counsel.



Funding LLC (“Insta Funding”), and Pinnacle Business Funding LLC (“Pinnacle”) (together, “Defendants”), and alleges as follows:

NATURE OF THE ADVERSARY PROCEEDING

1. Avant Gardner operates a multi-space entertainment venue complex, specializing in large-scale live entertainment—such as concerts, festivals, corporate functions, and multimedia events—and is known for state-of-the-art audiovisual production. In January 2025, the company began an ambitious renovation project, seeking to dramatically modernize its most notable venue—the Brooklyn Mirage—in order to enhance concertgoer experience. Unfortunately, due to the strain of the project and unforeseen building and permitting issues, Avant Gardner’s financial condition deteriorated. These Chapter 11 cases were subsequently filed on August 4, 2025 (the “Petition Date”). Additional background facts surrounding the Debtors’ operations and history can be found in the *Declaration of Gary Richards, Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings*.

2. This adversary proceeding arises from a series of eight predatory financing agreements Avant Gardner entered into with Defendants during the pendency of the renovation project. These agreements were ostensibly intended to provide working capital for Avant Gardner’s operations. Under them, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. Two of these agreements were accurately referred to as a “loan.” The rest, though titled “receivables purchases” or “cash advances,” also operated in economic reality as high-interest, fixed-repayment loans. All the loans at issue (each individually, a “Loan,” and collectively, the “Loans”)—executed between January and April 2025—shared similar core

features and punitive terms: [REDACTED]

[REDACTED]

[REDACTED] Defendants further imposed severe default penalties and legal fees—often exceeding [REDACTED] of the original funding amounts.² These terms ensured that any deviation,

[REDACTED]

[REDACTED], thus enabling Defendants to extract outsized returns irrespective of Avant Gardner’s financial condition and well in excess of the actual receipts from receivables that were ostensibly “purchased.”

4. Upon information and belief, Defendants acted with coordination when extracting funds from Avant Gardner. To pay down debt for each Loan, funds were either remitted to or taken by a single Defendant—TVT. TVT then made decisions regarding how to allocate those funds between TVT, TVT Cap, Insta Funding, and Pinnacle, with a single TVT employee acting as an administrative agent for all three companies.

5. In essence, although at times labeled as sales of receivables or otherwise, all of these transactions were, in substance, high-cost loans with fixed repayment schedules, designed to evade usury laws and extract exorbitant returns from Avant Gardner under threat of severe default consequences. Indeed, many of the agreements governed by [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

² A summary of each Loan agreement and its key terms is contained in **Attachment 1**.

³ Three agreements are governed by the laws of [REDACTED].

⁴ Two agreements are governed by the laws of [REDACTED].

6. In all instances, however, Defendants' Loans and related transfers suffer from a major defect: any purported security interest was either not perfected or perfected too late to allow Defendants to have standing as secured creditors or to be a valid sale of accounts receivables under the Uniform Commercial Code ("UCC"). Simply put, the UCC requires buyers of accounts receivables and any purportedly secured lender to perfect their purchase by filing a UCC-1. If a buyer does not file a UCC-1 and the seller then files for bankruptcy, the bankruptcy estate can keep the accounts (under the § 544 strong-arm power), and the "buyer" merely has an unsecured claim against the estate.

7. This adversary proceeding now seeks to remedy Defendants' inequitable conduct through: (a) the avoidance and recovery of payments made by Avant Gardner to the Defendants with respect to these loans as preferential or fraudulent transfers; (b) disallowance of the Loans under applicable state usury law; and (c) declaratory judgment that if Defendants have any claim, it is only an unsecured claim

8. Put simply, Defendants capitalized on Avant Gardner's circumstances to execute loans with usurious rates and conditions. On information and belief, Defendants engaged in this conduct with knowledge that Avant Gardner's financial condition was deteriorating, and with intent to extract maximum value as quickly as possible. They did so at the expense of other creditors, vendors, and the estate.

JURISDICTION AND VENUE

9. This Court has jurisdiction over the subject matter of this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012, because this is a civil proceeding arising in or related to the Debtors' Chapter 11 cases under the Bankruptcy Code.

10. The matters set forth herein are core proceedings pursuant to 28 U.S.C. § 157(b)(2)(A), (B), (H), and (O), and the Court may enter final orders for matters contained herein.

11. The Debtors confirm their consent, via rule 7008-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, to the entry of a final order or judgment by the Court in connection with this adversary proceeding.

12. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

PARTIES

13. Debtor Avant Gardner is a New York-based live entertainment company with its principal place of business in Brooklyn, New York. Avant Gardner operates one of New York City's largest live music and event venues, which is a complex comprising three venues: The Great Hall, Kings Hall, and The Brooklyn Mirage. The Brooklyn Mirage—one of New York's largest venues—is the key venue at issue in the Chapter 11 cases.

14. Upon information and belief, Defendant TVT Capital Source LLC is a financing company incorporated in Utah and does business in New York.

15. Upon information and belief, Defendant White Star Funding Inc. d/b/a TVT Cap is a financing company incorporated in Florida and does business in New York.

16. Upon information and belief, Defendant Insta Funding LLC is a financing company incorporated in Connecticut and does business in New York.

17. Upon information and belief, Defendant Pinnacle Business Funding LLC is a financing company incorporated in New York and/or Maryland and does business in New York.

FACTUAL BACKGROUND

18. In January 2025, Avant Gardner began a substantial remodeling project at the Brooklyn Mirage, its prominent indoor/outdoor event venue in Brooklyn, New York. The

renovations were aimed at transforming and modernizing the space, introducing state-of-the-art features and immersive technical environments to enhance concertgoer experience.

19. Details about the planned redesign were released to the public as early as December 2024. See Kevin Ng, *Brooklyn Mirage Teases Big Changes & New Design for 2025*, EDM Tunes (Dec. 12, 2024) <https://www.edmtunes.com/2024/12/brooklyn-mirage-big-changes-new-design-2025/>. Trade press remarked on the scale of the planned renovations, noting “[b]eyond the facelift, there is a bottom-up approach to rethinking the entire experience at Avant Gardner and Brooklyn Mirage.” *Id.*



Figure 1 *Rendering of Brooklyn Mirage venue redesign.*

20. Given the scope and ambition of the project, Avant Gardner required significant external financing, some of which was also allocated to support the company's ongoing business operations. To that end, between January and April of 2025, Avant Gardner entered into a series of eight financing agreements with Defendants, including four separate transactions specifically with Defendant TVT. The agreement amounts ranged from [REDACTED]

[REDACTED] These Loans, although rarely styled as such, were predatory and took advantage of a financially struggling borrower. That Avant Gardner executed the Loans during the Brooklyn Mirage construction period evidences its increasing financial difficulty as a result of the renovation.

21. While none of the receivables purchase agreements have [REDACTED]

A. TVT and TVT Cap Financings

1. The January TVT Loan Agreement

22. On January 16, 2025, Avant Gardner entered into a Business Loan and Security Agreement with TVT [REDACTED] (the "January TVT Loan Agreement"). A copy of the January TVT Loan Agreement is attached as **Exhibit A**.

23. The January TVT Loan Agreement required Avant Gardner [REDACTED]

[REDACTED] By the maturity date, Avant Gardner would have had to pay [REDACTED]

[REDACTED] *Id.* at 5. TVT itself estimated the APR to be [REDACTED].

24. The January TVT Loan Agreement then set out a [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] *Id.* at 28.

25. Despite that both Avant Gardner and TVT do business in New York, and this loan was for a New York-based project, [REDACTED] as the governing law and enforcement venue for the agreement. *Id.* at 15, 16. On information and belief, this choice was made because [REDACTED] to have weaker usury laws.⁵

26. The January TVT Loan Agreement also includes a [REDACTED]

[REDACTED]

[REDACTED].

2. The *Three* February TVT and TVT Cap Cash Advance Agreements

27. The following month, on February 3, 2025, Avant Gardner executed a Cash Advance Agreement with TVT Cap (the “February 3 TVT Cap Cash Advance Agreement”) for

[REDACTED]

[REDACTED]

[REDACTED]

28. Although not *titled* a loan, it is in substance a loan. [REDACTED]

[REDACTED]

[REDACTED]

⁵ [REDACTED]

[REDACTED]

29. A copy of the February 3 TVT Cap Cash Advance Agreement is attached as **Exhibit B**. This Loan is governed by [REDACTED] *Id.* at 8 (§ 34).

30. Under the February 3 TVT Cap Cash Advance Agreement, Avant Gardner was to repay TVT Cap a total of [REDACTED]
Id. at 1. [REDACTED]

[REDACTED]
[REDACTED]

31. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

32. And again, despite that TVT Cap has claimed the February 3 TVT Cap Cash Advance Agreement was “not a loan,” *id.* at 5, [REDACTED]

[REDACTED]

[REDACTED] For example, Section 29 of the Terms and Conditions in the agreement states:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

33. Further, [REDACTED]
[REDACTED]

Id. § 15. [REDACTED]

[REDACTED] *Id.* § 16.

34. The next day, February 4, 2025, Avant Gardner and TVT signed a new agreement where Avant Gardner received [REDACTED]
[REDACTED] (the “February 4 TVT Cash Advance”). A copy of the advance is attached as Exhibit C.

35. Under the advance, Avant Gardner had to [REDACTED]
[REDACTED] *Id.* at 5. The advance further provided that [REDACTED]
[REDACTED]
[REDACTED] *Id.* [REDACTED]
[REDACTED]

36. The February 4 TVT Cash Advance, like the January TVT Loan Agreement, [REDACTED]
[REDACTED]
[REDACTED] *Id.* at 5. By TVT’s own estimate, the APR for this loan is [REDACTED]

37. The agreement required Avant Gardner to give [REDACTED]
[REDACTED]
[REDACTED] *Id.* at 5. Further, as in the February 3 TVT Cap Cash Advance Agreement, TVT could [REDACTED] *Id.* at 14 (§ 16.5).

38. Avant Gardner was obligated to pay much more than just the [REDACTED] it received. By the maturity date, whether it would be 180 days or 36 weeks, Avant Gardner would have had to pay back [REDACTED], over the span of much less than a year.

39. The agreement sought to avoid [REDACTED] strict usury and COJ protections, choosing [REDACTED] for claims generally but requiring any COJ to be filed in [REDACTED]. *See, e.g., id.* at 28. On information and belief, this design was a calculated move to sidestep certain [REDACTED] borrower safeguards and maximize the potential for recovery, despite the transaction operating in substance as a usurious loan. Once again, TVT would be able to impose draconian penalties on Avant Gardner in the event of a default, including [REDACTED]
[REDACTED]

40. On February 25, 2025, Avant Gardner and TVT executed yet another cash advance agreement (the “February 25 TVT Cash Advance”), on terms nearly identical to the February 4 agreement. A copy of that advance is attached as Exhibit D.

41. Under this arrangement, Avant Gardner received [REDACTED]
[REDACTED]
[REDACTED] *Id.* at 1. TVT itself estimated the APR at [REDACTED], mirroring the February 4 TVT Cash Advance.

42. Under this agreement, Avant Gardner had to repay the funding provided as well as [REDACTED]. *Id.* at 1. The advance further provided that the [REDACTED]
[REDACTED]
[REDACTED] *Id.*

43. As with previous loans, Avant Gardner would be required to pay an extra [REDACTED]
[REDACTED]

44. The February 25 TVT Cash Advance agreement, like the February 4 agreement, designates [REDACTED] as governing the contract, while stipulating that COJs are governed by [REDACTED] law. *Id.* at 10, 14, 23–24. Like the February 4 agreement, notwithstanding TVT’s characterization of the transaction as something other than a loan, the agreement purports to grant TVT a [REDACTED]. *Id.* at 1. In the event of default, it seeks to impose the same severe penalties on Avant Gardner, [REDACTED] [REDACTED] *Id.* at 10 (§ 16.5).

3. The March TVT Cap Cash Advance Agreement and the March TVT Loan Agreement

45. On March 13, 2025, TVT Cap and Avant Gardner entered into another cash advance agreement for [REDACTED], with terms similar to that entered into on February 3, this time with [REDACTED] as the state of governing law (the “March TVT Cap Cash Advance Agreement”). A copy of the March TVT Cap Cash Advance Agreement is attached as Exhibit E.

46. Avant Gardner was to pay [REDACTED] [REDACTED] *Id.* at 1. However, there was once again [REDACTED] [REDACTED]

47. TVT Cap estimated a weekly payment of [REDACTED] [REDACTED] [REDACTED]

48. That same day, March 13, Avant Gardner entered into a “loan” agreement with TVT for [REDACTED] (the “March TVT Loan Agreement”). A copy of the March TVT Loan Agreement is attached as Exhibit F. TVT estimated a payment of [REDACTED]

49. Similar to the first Loan with TVT, this Loan also included terms for a [REDACTED]

.⁶ *Id.* at 32.

50. Upon default, not only could TVT obtain a [REDACTED]

[REDACTED]

[REDACTED] All of this is without
any regard to Avant Gardner's financial position.

51. The structuring of the agreement—characterized by [REDACTED]

—demonstrates an effort by TVT to maximize extraction from Avant Gardner while attempting to circumvent traditional lending rules. TVT engineered a framework designed to ensure its own recovery with minimal risk, regardless of Avant Gardner’s financial health or the realities of its operations.

B. Pinnacle Financing

52. Avant Gardner also entered into a receivables purchase agreement with Pinnacle on February 19, 2025 (the “Pinnacle Receivables Purchase Agreement”). A copy of the Pinnacle receivables Purchase Agreement is attached as **Exhibit G**. The agreement is governed by [REDACTED]

6 [REDACTED]

57. Initially, the parties contemplated Avant Gardner paying this back at [REDACTED]. [REDACTED] However, while multiple modifications were made to the payment plan, the lowest final amount due—[REDACTED]—still amounts to an [REDACTED].

58. In the event of default, the agreement allowed Insta Funding to [REDACTED]. [REDACTED] Insta Funding was granted a [REDACTED]. [REDACTED] *Id.* at 10. Insta Funding could purportedly also [REDACTED]. [REDACTED] *Id.* at 6, 14.

59. In fact, on June 27, 2025, Insta Funding sent a letter to Avant Gardner demanding a total of \$5,208,750.05, close to [REDACTED] of the original agreement. A copy of the June 27 letter is attached as **Exhibit I**. In that letter, Insta Funding claimed that it was due over \$1,000,000 for default and legal fees in addition to an account balance that was itself already in excess of the original [REDACTED] “purchase” price.

60. Insta Funding then escalated its collection efforts. On July 24, 2025, Insta Funding initiated a lawsuit against Avant Gardner in the Connecticut Superior Court of the Judicial District of Stamford. A copy of the Summons, Notice, and Complaint are attached as **Exhibit J** at 15-60. In the complaint, Insta Funding claimed that Avant Gardner owed Insta Funding \$2,661,750.05 of the Purchased Amount, \$295.00 for a UCC fee, \$50.00 for a Stop Payment fee, and \$1,035,000.00 for a Default Fee, and \$924,273.76 in Anticipated Legal Fees. *Id.* at 23.

61. In total, Insta Funding requested a judgment of \$4,621,368.81 against Avant Gardner. Pursuant to a prejudgment remedy on July 28, 2025, the court caused a hold to be placed and lien to attach to the Avant Gardner’s Bank Accounts for the requested amount forcing Avant

Gardner to scramble and find alternative means to fund its payroll. *Id.* at 1-3. Further, Insta Funding sent a notice to Block (one of Avant Gardner’s payment processors) that resulted in a hold on the Avant Gardner account pending a release agreement or court order.

62. On July 27, 2025, the day before the judgment materialized, Insta Funding used an auto-debit feature of their contract to debit over \$1 million from the Company’s bank accounts, despite the fact that they are an unsecured creditor and this transfer occurred during the Preference Period.

D. Avant Gardner’s Chapter 11 Filings

63. Avant Gardner’s financial condition worsened over time due to mounting construction issues associated with the Brooklyn Mirage renovations. The construction also meant Avant Gardner could not sell tickets to shows at the volume that it used to, resulting in less sales of food and beverage and less overall revenue.

64. The Brooklyn Mirage renovation was ultimately unsuccessful. Though Avant Gardner intended to showcase its updated venue on May 1, 2025, the reopening was put on indefinite hold after the city of New York declined to issue the necessary permits for operations.

65. Before and during the 90-day period (the “Preference Period”) leading up to the Petition Date,⁷ details about Avant Gardner’s deteriorating financial condition—including with respect to the failed safety inspection and unmet construction deadlines—were reported by the press and were, on information and belief, well known to Defendants. *See, e.g.,* Kirstyn Brendlen, *Brooklyn Mirage cancels much-anticipated reopening after failing to meet city standards*, Brooklyn Paper (May 1, 2025), <https://www.brooklynpaper.com/brooklyn-mirage-cancels-reopening-inspection/>; Scott Enman, *Brooklyn Mirage Parent Company Reportedly “Bleeding*

⁷ Given that Debtors filed these Chapter 11 cases on the Petition Date of Monday, August 4, 2025, the Preference Period runs from May 6, 2025 to August 3, 2025.

Money,” Brooklyn Magazine (Jul. 8, 2025), <https://www.bkmag.com/2025/07/08/avant-gardner-reportedly-looking-to-sell-the-business/>; Michael Gonik, *Brooklyn Mirage Enlists Hedge Fund Founder to Aid with Permitting Woes*, Brooklyn Magazine (June 18, 2025), <https://www.bkmag.com/2025/06/18/brooklyn-mirage-hedge-fund-summer-opening/>; Zoe Hussain, *Brooklyn Mirage Ticket Holders left in dark after rescheduled shows as status of venue is in limbo*, New York Post (June 23, 2025). <https://nypost.com/2025/06/23/us-news/brooklyn-mirage-ticket-holders-left-in-dark-after-rescheduled-shows-as-status-of-venue-is-in-limbo/>.

66. On the Petition Date, August 4, 2025, each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in this Court.

E. Preferential Transfers

67. During the Preference Period, Avant Gardner transferred a total of \$2,103,900 to TVT. *See **Exhibit K***. These transfers represent the total receivables TVT collected via designated lockbox accounts between May 16, 2025, and August 1, 2025. Upon information and belief, TVT had the authority to and did in fact transfer certain portions of those funds to TVT Cap, Insta Funding and Pinnacle.

68. In each case, the transfers were made to a creditor of the Debtors (namely, TVT, in the first instance, with subsequent allocation to either TVT Cap, Pinnacle or Insta Funding at TVT’s discretion), and were on account of an antecedent debt owed by the Debtors to such creditor (amounts owed on account of their respective various financing arrangements with the Debtors).

69. Further, as described below, Insta Funding (and only Insta Funding) filed a UCC-1 on June 10, 2025, which was within the Preference Period. Under Section 547(e)(2) of the Bankruptcy Code, because Insta Funding did not perfect its security interest or purported purchase

of the Debtors' accounts, the "transfer" of such security interest or accounts occurred on the date of perfection—which is within the Preference Period.

F. Fraudulent Transfers

70. Moreover, all payments made to Defendants under the Loans, dating back to January 31, 2025, and totaling to \$3,789,972, and the purported perfection of the security interest under the June 10, 2025 UCC-1 (described below), were constructively fraudulent transfers.

71. Each of these transfers occurred within two years of the Petition Date. Further, Avant Gardner received less than a reasonably equivalent value in exchange for the obligations it entered into with Defendants pursuant to these transfers. And at the time each of these transfers was made, Avant Gardner was (i) insolvent, or became insolvent as a result of such transfer; (ii) engaged in business or a transaction, or was about to engage in a transaction, for which its remaining property represented unreasonably small capital; and (iii) intended to incur, or believed that it would incur, debts that would be beyond its ability to pay as such debts matured.

G. Defendants' Failure to Perfect Their Purported Security Interests

72. On information and belief, Defendants TVT, TVT Cap and Pinnacle did not even attempt to perfect their purported security interests in the Loans to Avant Gardner. Only Defendant Insta Funding apparently attempted to do so on June 10, 2025—well within the 90-day Preference Period preceding the Debtors' bankruptcy filings on the Petition Date.

73. Specifically, UCC search results reflect that Defendants TVT, TVT Cap and Pinnacle failed to file any UCC-1 financing statement at the time the transaction was consummated or at any point prior to June 10, 2025. Insta Funding filed a UCC-1 on June 10, 2025—only 55 days before the Petition Date—against each of the Debtors.

74. Critically, any Defendant's failure to perfect their security interests at all or until just before bankruptcy renders their claims, if any, nothing more than a general unsecured claim. First, although the transactions were largely styled as sales of receivables, their terms—including steep discount rates, significant fees, and sweeping collateral grants—make plain they are loans. Because the transactions are loans secured by unperfected security interests, the Debtors' strong-arm power under Section 544 of the Bankruptcy Code renders the Loans effectively unsecured. Insta Funding's June 10, 2025 UCC-1 filing, made only after Avant Gardner's financial distress was apparent and in the 90-day Preference Period is subject to avoidance.

75. Second, regardless of whether the Loans are treated as true sales or disguised financings, the UCC requires a buyer of accounts to file a UCC-1 to perfect its security interest. Under the UCC, the term "security interest" includes "any interest of . . . a buyer of accounts . . . in a transaction that is subject to Article 9." UCC § 1-201(35). UCC § 9-109(a)(3) provides that an outright sale of accounts is covered by Article 9. Section 9-318 of the UCC further provides that with respect to creditors of a debtor that has sold an account, the debtor still has rights and title to the account while the security interest is unperfected.

76. Section 9-317(a) of the UCC provides that a "security interest" (which, as described above, includes the interest of a buyer in accounts), takes subordinate to the rights of a person that becomes a lien creditor prior to when the security interest is perfected. Finally, Section 544 of the Bankruptcy Code gives the trustee, or debtor in possession, the rights of a creditor with a judicial lien as of the Petition Date. Taken together, because the Defendants did not perfect their security interests or purported purchase of accounts, the Debtors have priority over the liens or sales and succeed to full rights in the purportedly transferred accounts. Defendants have an unsecured claim.

77. Even Insta Funding, who perfected on June 10, did so within the Preference Period, and that perfection is therefore an avoidable transfer. In all events, Defendants' failure to perfect at the outset, and any belated attempt to do so after Avant Gardner's financial trouble got worse, cannot elevate their status over other general unsecured creditors. Debtors are thus entitled to avoid these purported security interests and recover any related transfers.

CLAIMS FOR RELIEF

COUNT I

**AVOIDANCE OF UNPERFECTED SECURITY INTERESTS AND WRONGFUL
TRANSFERS (STRONG-ARM)
(11 U.S.C. § 544, UCC § 9-301)**

78. Avant Gardner hereby re-alleges and incorporates by reference all preceding paragraphs as if set forth fully herein.

79. Prior to the Petition Date, Avant Gardner transacted with Defendants, on account of which Avant Gardner was indebted to Defendants.

80. Defendants TVT, TVT Cap and Pinnacle have not filed a UCC-1 statement sufficient to perfect their interests against Avant Gardner. Therefore, under the Strong Arm Clause, § 544(a) of the Bankruptcy Code, Defendants are unsecured creditors in this filing with respect to each of their purported security interests.

81. The only UCC-1 related to these proceedings, filed by First Corporate Solutions on June 10, 2025, was purportedly filed on behalf of Defendant Insta Funding. However, this was filed squarely within the Preference Period and is thus unperfected.

82. TVT, TVT Cap, Pinnacle, and/or Insta Funding claim that Avant Gardner's outstanding contract balance totals \$11,389,949, exclusive of any legal fees, default charges, or other incremental amounts. Upon information and belief, TVT, TVT Cap, Pinnacle, and/or Insta

Funding will attempt to pursue such amount in debt from Avant Gardner in this Chapter 11 proceeding.

83. Because Defendants are unsecured, Avant Gardner is entitled to avoid all debt payments demanded.

COUNT II
AVOIDANCE OF PREFERENTIAL TRANSFERS
(11 U.S.C. § 547(b))

84. Avant Gardner hereby re-alleges and incorporates by reference all preceding paragraphs as if set forth fully herein.

85. Avant Gardner filed a petition commencing this Chapter 11 case on August 4, 2025.

86. Prior to the Petition Date, Avant Gardner transacted with Defendants, on account of which Avant Gardner was indebted to Defendants.

87. Defendants TVT, TVT Cap and Pinnacle have not filed a UCC-1 statement sufficient to perfect their interests against Avant Gardner. Therefore, under the Strong Arm Clause, § 544(a) of the Bankruptcy Code, Defendants are unsecured creditors in this filing with respect to each of their purported security interests.

88. The only UCC-1 conceivably related to these proceeding, filed by First Corporate Solutions on June 10, 2025, was on behalf of Insta Funding. However, this was filed squarely within the Preference Period and is thus unperfected.

89. During the Preference Period, between May 6, 2025, and August 3, 2025, TVT pulled funds totaling \$2,103,900 from a bank account belonging to Avant Gardner.

90. During the Preference Period, on June 10, 2025, First Corporate Solutions, on behalf of Insta Funding, filed a UCC-1.

91. During the Preference Period, on July 28, 2025, Insta Funding procured a prejudgment attachment on Avant Gardner's Bank Accounts.

92. The UCC-1 filed by First Corporate Solutions on behalf of Insta Funding was for Insta Funding's benefit.

93. The June 10, 2025, UCC-1 purported security interest was granted, for or on account of an antecedent debt owed by Avant Gardner before such transfers and security interests were made and granted.

94. Avant Gardner is presumed to have been insolvent, as a matter of law, during the Preference Period under 11 U.S.C. § 547(f).

95. The June 10, 2025, UCC-1 purported security interest would allow Insta Funding to receive more than it would be able to if (i) this case were a case under a Chapter 7 of the Bankruptcy Code; (ii) the transfer had not been made; and (iii) Defendants receive payment of such debt to the extent provided by the Bankruptcy Code.

96. As explained above, Insta Funding is not a secured creditor.

97. Based on the foregoing, Avant Gardner is entitled to avoid all debt payments demanded and to avoid the July 28, 2025, attachment placed on its Bank Accounts Under Bankruptcy Code § 550, Avant Gardner is also entitled to repayment for any funds taken from Avant Gardner and its accounts during the Preference Period.

COUNT III
DISALLOWANCE OF CLAIMS BASED ON USURY LAW
(11 U.S.C. § 502(b)(1))

98. Avant Gardner hereby re-alleges and incorporates by reference all preceding paragraphs as if set forth fully herein.

99. While none of the agreements specifically list out interest rates, the surplus amount plus principal is absolutely repayable and compensates the use and time of repayment. Under § 502(b)(2) of the Bankruptcy Code, the "economic substance" of these agreements indicate that the

extra amounts are interest to be paid over amounts of time that would make the effective annual interest rates usurious or unconscionable under applicable state law.

100. TVT placed the January TVT Loan Agreement for [REDACTED]. While [REDACTED] does not have a usury statute, it does still consider whether a loan interest rate is unconscionable. TVT state that the APR for this loan was [REDACTED] and expected the principal and extra [REDACTED] to paid over less than a years.

101. Not only is this an unlawfully high interest rate, but given that all the other TVT agreements were under [REDACTED], the venue was in New York, and both parties do business in New York, the selection for [REDACTED] as the governing law could only be to forum shop for a state that would be more favorable to TVT.

102. Had this been in New York, TVT could be liable for criminal usury under N.Y. Penal Law § 190.40 as the effective annual interest rate exceeds 25%.

103. Four of the agreements are governed by [REDACTED]—the February 4 TVT Cash Advance, February 25 TVT Cash Advance, March TVT Loan Agreement, and the Pinnacle Receivables Purchase Agreement.

104. Under N.Y. Gen. Oblig. Law § 5-501, interest rates on loans cannot exceed 16% per annum. The consequence of violating this is voiding the loan agreement. Further, interest rates exceeding 25% per annum amount to criminal usury under N.Y. Penal Law § 190.40.

105. The February 4 TVT Cash Advance and February 25 TVT Cash Advance agreements with TVT have a [REDACTED] APR, with effective annual interest rates also much higher than New York's usury caps, given the short amount of contemplated time [REDACTED] to pay back such a high mark-up of [REDACTED]. The March TVT Loan Agreement had a [REDACTED] APR and required repayment of the principal and extra [REDACTED]. While the Pinnacle Receivables

Purchase Agreement did not [REDACTED], Avant Gardner was expected to pay [REDACTED]
[REDACTED], effectively imposing an annual interest rate above [REDACTED] and well
over the usury cap.

106. [REDACTED]
[REDACTED]

107. Two of the agreements, the February 3 TVT Cap Cash Advance Agreement and
March TVT Cap Receivables Purchase Agreement, are governed by [REDACTED] law. In [REDACTED],
different statutes apply depending on whether the loan amount exceeds [REDACTED].

108. Under [REDACTED], for loans less than or equal to \$500,000, the usury cap
is 18% per annum. For loans exceeding \$500,000, [REDACTED] governs. The usury
cap under [REDACTED] is 25% per annum.

109. Since both agreements exceeded that [REDACTED]
[REDACTED] would apply.

110. While neither of these agreements contemplate APRs, as they were labeled as cash
advance receivable purchase agreements, the amount Avant Gardner would have to pay back is
[REDACTED] more than the original amount. Both of these agreements contemplated payments over the
span of [REDACTED], making the effective annual interest rate much higher than the [REDACTED]

111. As both of these agreements exceed [REDACTED], at
minimum they should be voided.

112. Finally, the Insta Funding Receivables Purchase Agreement is governed by

[REDACTED] law, where annual interest rates above 12% are prohibited under [REDACTED]

[REDACTED] The APR on this Loan is [REDACTED], and Avant Gardner was expected to pay back between
[REDACTED].

113. All of these numbers are [REDACTED], rendering these Loans usurious under [REDACTED]. Thus, this agreement along with the all the other ones should be voided.

114. For ease of reference, the following table lists the eight agreements, state of governing law, applicable statutes, and usury caps:

<i>Agreement</i>	Governing Law	Usury Statute	Civil-Usury Cap	Criminal-Usury Cap
January TVT Loan Agreement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
February 3 TVT Cap Cash Advance Agreement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
February 4 TVT Cash Advance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Pinnacle Receivables Purchase Agreement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
February 25 TVT Cash Advance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
March TVT Cap Receivables Purchase Agreement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

March TVT Loan Agreement			
Insta Funding Receivables Purchase Agreement			

COUNT IV
AVOIDANCE OF CONSTRUCTIVE FRAUDULENT TRANSFER
(11 U.S.C. § 548(a)(1)(B))

115. Avant Gardner hereby re-alleges and incorporates by reference all preceding paragraphs as if set forth fully herein.

116. All the transfers made under the Loans, and the purported perfection of security interest as per the filing of the June 10, 2025, UCC-1, were within two years of the Petition Date. None of these transfers were supported by a reasonably equivalent value.

117. Further, upon information and belief, Avant Gardner either was insolvent at the time of the transfers or the transfers caused Avant Gardner to be insolvent. At the time of each payment, and at the time of the June 10, 2025, UCC-1 filing, Avant Gardner was engaged in business or a transaction, or was about to engage in a transaction, for which its remaining property represented unreasonably small capital. Finally, by entering into each of the Loans, Avant Gardner

intended to incur, or believed that it would incur, debts that Defendants structured in a way that would be beyond Avant Gardner's ability to pay as such debts matured.

118. Based on the foregoing, all payments under the Loans and the transfer through the UCC-1 financing statement are avoidable under section 548(a)(1)(B) of the Bankruptcy Code.

COUNT V
DECLARATORY JUDGMENT
(Bankruptcy Rule § 7001(i))

119. Avant Gardner hereby re-alleges and incorporates by reference all preceding paragraphs as if set forth fully herein.

120. Defendants' agreements, regardless of whether they are labeled as "receivables purchases" or "cash advances" function as a loan. None of the agreements have been properly perfected and therefore are unsecured. Further, the effective annual interest rates on each of these agreements is usurious and should render the agreements void.

121. Avant Gardner is entitled to a declaratory judgment recharacterizing each of these agreements as loans.

122. Avant Gardner is further entitled to a declaratory judgment that each Defendant is an unsecured creditor.

123. Avant Gardner is entitled to a declaratory judgment that money paid during the preference period be paid back to Avant Gardner.

124. Avant Gardner is further entitled to a declaratory judgment that any outstanding balances Defendants claim is due be avoided.

125. Avant Gardner respectfully requests that the Court enter a judgment declaring:

- a. Each agreement, regardless of whether it is labeled as a "receivables purchase" or a "cash advance," be characterized as a loan.

- b. Insta Funding is an unsecured creditor as it perfected its security interest within the Preference Period.
- c. TVT, TVT Cap and Pinnacle are unsecured creditors as they did not perfect their security interest at all.
- d. Avant Gardner is entitled to avoid debt in the amount of \$11,389,949 to TVT, TVT Cap, Pinnacle, and/or Insta Funding.
- e. Avant Gardner is entitled to repayment of \$2,103,900 plus legal fees, default charges, and/or other incremental amounts from TVT, TVT Cap, Pinnacle, and/or Insta Funding taken during the Preference Period, May 6, 2025 to August 3, 2025.
- f. Defendants' security interests are subordinated in relation to other creditors under equitable subordination.

PRAYER FOR RELIEF

WHEREFORE, Avant Gardner prays that this Court:

- A. On Count I (Avoidance of Unperfected Security Interests), pursuant to 11 U.S.C. § 544(a), enter judgment avoiding any unperfected liens or security interests held by Defendants in Avant Gardner's property in the amount of \$11,389,949, exclusive of any legal fees, default charges, or other incremental amounts, by TVT, TVT Cap, Pinnacle, and/or Insta Funding; and (ii) recovering such transfers or their value in the amount of \$3,789,972 from TVT, TVT Cap, Pinnacle, and/or Insta Funding;
- B. On Count II (Avoidance of Preferential Transfers), pursuant to 11 U.S.C. § 547(b) enter judgment (i) avoiding any transfers of interest in property made to TVT within 90 days of the petition date in the amount of \$2,103,900 to TVT, TVT Cap, Pinnacle, and/or Insta

Funding, and (ii) recovering such transfers or their value in the amount of \$2,103,900 from TVT, TVT Cap, Pinnacle, and/or Insta Funding;

- C. On Count III (Disallowance of Claims), pursuant to 11 U.S.C. § 502(b)(1), enter judgment disallowing, in whole or in part, any claims filed or asserted by Defendants that are unenforceable under applicable non-bankruptcy law due to usury, unconscionability, or illegality;
- D. On Count IV (Constructive Fraudulent Transfer), pursuant to 11 U.S.C. §§ 548(a)(1)(B) enter judgment (i) avoiding the fraudulent transfers and obligations incurred in connection with the challenged agreements, and (ii) recovering such transfers or the value thereof from the Defendants in an amount to be determined at trial;
- E. On Count V (Declaratory Judgment), pursuant to Rule § 7001(i), declare that to the extent any Defendant has a claim, it is an unsecured claim.
- F. On all counts:
 - 1. Enter judgment in Avant Gardner's favor and against all Defendants;
 - 2. Award Avant Gardner actual damages in an amount to be determined at trial;
 - 3. Award Avant Gardner prejudgment and post-judgment interest, attorneys' fees, and costs as allowed by law or equity;
 - 4. Grant such other and further relief as the Court may deem just and proper.

Dated: August 22, 2025
Wilmington, Delaware

**YOUNG CONAWAY STARGATT & TAYLOR,
LLP**

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*Proposed Counsel to the Debtors and Debtors in
Possession*

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Exhibits A – K

All Filed Under Seal