

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)

Ref: Docket No. 12, 149, 309, 310, 311, & 312

**DECLARATION OF JEFFREY GASBARRA (I) IN SUPPORT OF THE
DEBTORS' MOTION PURSUANT TO SECTIONS 105 AND 363(B) OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULE 9019 FOR AN ORDER
APPROVING AND AUTHORIZING SETTLEMENT BY AND AMONG THE
DEBTORS, AXAR CAPITAL MANAGEMENT LP, AND THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS AND (II) IN FURTHER
SUPPORT OF THE DEBTORS' DIP MOTION**

I, Jeffrey Gasbarra, hereby declare under penalty of perjury:

1. I am a Managing Director at Triple P TRS, LLC ("Triple P TRS"), proposed restructuring advisor to the debtor and debtor-in-possession (the "Debtor" or the "Company") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). Triple P TRS has its principal place of business at 300 North LaSalle, Suite 1420, Chicago, IL 60654. Triple P TRS and Triple P Securities, LLC, the Debtor's investment banker ("Triple P Securities" and together with Triple P TRS, "Portage Point") are each wholly owned by Portage Point Partners, LLC.

2. Based on my work with the Debtors, I have become generally familiar with the financial and operational aspects of the Debtors' business. I am authorized to make this declaration

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.



(the “Declaration”)² on behalf of the Debtors. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.³

3. I submit this declaration in support of the Debtors’ Motion Pursuant to Sections 105 and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019 for an Order Approving and Authorizing Settlement By and Among the Debtors, Axar Capital Management LP, and the Official Committee of Unsecured Creditors (the “9019 Motion”), which among other things seeks approval of a settlement by and among the Debtors, Axar Capital Management LP (“Axar”), and the Official Committee of Unsecured Creditors (the “Committee,” and collectively with the Debtors and Axar, the “Settlement Parties”). Additionally, this Declaration is submitted to supplement my declaration [D.I. 15] (the “DIP Declaration”) in support of the *Debtors’ Motion for Entry of Interim and Final Orders, Pursuant to Sections 105, 361, 362, 363, 364, 503 and 507 of the Bankruptcy Code, (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims and (B) Adequate Protection to Certain Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* (the “DIP Motion”). In my role as leader of Portage Point’s engagement as restructuring advisor, I am actively involved in the Debtors’ analysis of their operations, liquidity, and liabilities.

4. Except as otherwise indicated, all facts or opinions set forth in this Declaration are based on my personal knowledge, my discussions with the Debtors’ advisors, professionals, boards of directors or managers, management team, or other members of the Portage Point team, my

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the 9019 Motion (defined below) or the DIP Motion (defined below), as applicable.

³ Certain disclosures herein relate to matters within the personal knowledge of other professionals at Portage Point and are based on information provided by them.

review of relevant documents and information concerning the Debtors' financial affairs and restructuring initiatives, or my experience. I am not being specifically compensated for this testimony other than through payments received by Portage Point as a professional whose retention the Debtors will seek pursuant to an application to be filed with this Court. I am over the age of eighteen (18) years and am authorized to submit this Declaration. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

TVT'S OBJECTION TO THE DIP MOTION

5. On August 4, 2025 (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of the bankruptcy code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

6. Also on the Petition Date, the Debtors filed the DIP Motion, pursuant to which the Debtors sought authority to obtain postpetition financing. The Bankruptcy Court has entered four interim orders authorizing the Debtors to incur debt on a postpetition basis under the DIP Facility (as defined in the DIP Motion) [*see* D.I. 46, 128, 176, 259].

7. The TVT Parties first attack the Debtors' decision to enter into the DIP Facility, and raise an objection that is nearly two months late. As stated in my DIP Declaration, during the course of these chapter 11 cases, the Debtors conducted an analysis to determine the amount of funds that were in their operating account when the Insta Funding prejudgment lien purportedly attached. At the conclusion of that analysis, the Debtors determined to segregate and restrict all funds that were in the bank account to which Insta Funding's lien attached.⁴ As stated in my initial

⁴ Prior to the Petition Date, the Debtors' Prepetition Term Loan Lender, who holds a validly perfected senior lien on the bank account to which Insta Funding's lien purportedly attached, authorized the Debtors to use their cash collateral to fund payroll. Absent this authorization, the Debtors would not have been permitted to fund their final prepetition payroll and certain other critical operating expenses. Accordingly, the amount included in the segregated account includes the amount in the bank account when Insta Funding's lien attached less such payroll and other expenses. Contrary to TVT's allegations, no amounts have left the reserve account postpetition.

DIP Declaration, in my opinion, segregating and restricting the amount that was present as of the Petition Date adequately protects any security interest that Insta Funding has in the account.

8. Additionally, since the Petition Date, following the Debtors' court-approved recission of their redirection letter to Billfold [*see* D.I. 42, ¶ 3; D.I. 124, ¶ 2], the Debtors have deposited all funds received from Billfold that would have otherwise been sent to the TVT lockbox account into a segregated and restricted bank account. An analysis detailing the weekly flow of funds into that account is below:

Week of	Amount Deposited from Billfold
August 11, 2025	\$93,607.93
August 18, 2025	\$72,372.23
August 25, 2025	\$120,039.72
September 1, 2025	\$1,012,463.33 ⁵
September 8, 2025	\$268,413.80
September 15, 2025	\$80,580.13
September 29, 2025	\$336,920.11
October 6, 2025	\$80,918.34
October 13, 2025	\$164,279.62
Total	\$2,229,595

9. Contrary to the TVT Parties' assertions, in compliance with the orders authorizing the continued use of their cash management system, the Debtors have not drawn any funds from the segregated and restricted account during these chapter 11 cases. Additionally, the segregated funds account for all proceeds from the sale of food and beverage through Billfold – which are the only funds that were transferred to the MCA Lockbox prepetition. Certain proceeds from table service sales have always been processed through the Debtors' other payment processors and were not subject to any arrangement with the TVT Parties. Importantly, the Debtors and the DIP Lender carefully sized the DIP Facility to ensure that DIP Funds would cover operating expenses

⁵ Includes the transfer of the balance of cash in the Avant Gardner, LLC operating account as of the Petition Date.

(including expenses associated with food and beverage sales) while the Debtors segregated and restricted proceeds received from Billfold on account of food and beverage sales. Accordingly, the Debtors are in compliance with their court-approved mechanism for protecting the TVT Parties while the litigation against them is pending.

10. It is my understanding that the Debtors intend to maintain status quo with the TVT Parties pending the resolution of litigation. Based on my personal knowledge, the Debtors have complied with their obligations under the Cash Management Order with respect to the segregation of the Billfold food and beverage revenue.

THE SETTLEMENT IS A SOUND EXERCISE OF THE DEBTORS' BUSINESS JUDGMENT AND THE TVT PARTIES' OBJECTION SHOULD BE OVERRULED

11. Upon its appointment, the Committee immediately began conducting diligence into the Debtors' prepetition relationship with the Prepetition Term Loan Lender and other potential claims. Following a rigorous discovery process, which involved a review of thousands of documents and numerous depositions, the Committee filed an objection to the DIP Motion [D.I. 149] (the "Committee Objection"). Additionally, the Committee Objection included a request for the appointment of a chapter 11 trustee. As discovery was ongoing, the Debtors and their advisors evaluated the claims raised by the Committee in the Committee Objection.

12. Throughout the process, the Debtors, the Committee, and Axar engaged in extensive and exhaustive settlement negotiations spanning numerous weeks. On September 18, 2025, the parties finalized the terms of a term sheet which was filed at D.I. 206. After filing the term sheet, the Debtors, the Committee, and Axar, along with their advisors, refined the terms of the Settlement, the ultimate form of which is embodied in the 9019 Motion.

13. Under the Settlement, in addition to other non-economic terms from which the Debtors' and their estates will benefit, Axar will provide the following economic benefits to the Debtors and their estates:

- (i) \$1.05 million upon closing of the Sale (ii) an additional \$2.25 million over the course of the next three years, and (iii) assumption of all allowed administrative expenses in these chapter 11 cases;
- waiver of any right to distribution on its approximately \$57 million deficiency claim;
- cure of all defaults under the Debtors' real property leases (which cure amounts could exceed \$6 million);
- a \$3.25 million wind-down budget;
- a Committee professional fee budget of \$2.5 million
- funding for unpaid tax liabilities in the amount of approximately \$5 million that would otherwise likely be treated as priority claims in these chapter 11 cases (and would not likely be paid in full);
- a commitment work with certain Go-Forward Vendors, including artists, thus mitigating substantial trade claims;
- a contingent value right (the "CVR") in the purchaser of the Debtors' assets if the purchaser subsequently sells the purchased assets for consideration exceeding a certain threshold amount;
- assumption of the Debtors' 401k plan and obligations thereunder; and
- leave with the Debtors' estates certain potential causes of action that will be delivered to a liquidating trust for the benefit of unsecured creditors.

14. In the aggregate, in my professional judgment, the floor of consideration provided by Axar for the releases granted under the Global Settlement is no less than \$20 million⁶—and could be more when factoring in the claim waiver, assumption of administrative expenses, and the

⁶ This figure includes all potential cure costs associated with mechanics' liens against the non-residential real property underlying the Debtors' ground lease, which may ultimately be reduced through the claims reconciliation process.

CVR. Further, the releases will only be granted upon both (a) approval of the Settlement and (b) confirmation of a chapter 11 plan implementing the Settlement.

15. The Settlement should be approved for a number of reasons. The Settlement:

- is a fair resolution of a myriad of complex legal issues and claims that the Committee has alleged against Axar and other parties, which the Debtors have analyzed and considered;
- the probability of success of such litigation would require third party funding that does not currently exist, could take years to prosecute and I am advised that prevailing and recovering in such litigation is highly speculative;
- obviates the need for contested litigation among the Debtors, the Committee, and Axar, including litigation over the sale process, the sale, and the chapter 11 plan;
- delivers the general unsecured creditors a recovery under a chapter 11 plan which, absent the settlement, would not be feasible in light of significant administrative and priority claims that are addressed by the Settlement;
- relieves the estates and Settlement Parties from exceedingly time- and cost-intensive litigation that would result absent the Settlement; and
- provides the Debtors' estates with the funds required to confirm a chapter 11 plan and is undoubtedly in the paramount interest of creditors as it was not only negotiated, in part, by the fiduciary representative of the general unsecured creditors (the Committee), but the settlement results in a recovery to the GUCs where none would otherwise exist.

16. Approval of the Settlement also brings finality and closure to the Settlement Parties' outstanding disputes and benefits the Debtors' estates by resolving what would otherwise be expensive, time-consuming litigation in favor of an efficient, expeditious, and value-maximizing resolution, thereby obviating the need for the Debtors to incur substantial litigation costs. I believe the Settlement is a sound exercise of the Debtors' business judgment and the terms set forth in the Settlement are reasonable and in the best interests of the Debtors, their estates, and creditors and other parties in the Chapter 11 Cases. Indeed, any recovery the Debtors and their estates may achieve in litigation against Axar would require significant funding to litigate, is likely to be vigorously defended, and could take several years. The compromise embodied in the

Settlement is the product of extensive good-faith and arm's-length negotiations between the Settlement Parties and is well above the lowest point in the range of litigation outcomes.

17. For all the reasons included in this Declaration, I submit that Settlement proposed in the 9019 Motion should be approved as a sound exercise of the Debtors' business judgment.

Dated: October 21, 2025

/s/ Jeffrey Gasbarra

Jeffrey Gasbarra
Managing Director
Triple P TRS, LLC

Restructuring Advisor to the Debtors