

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

In re:

VILLAGE ROADSHOW  
ENTERTAINMENT GROUP USA INC., *et*  
*al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10475 (TMH)

(Jointly Administered)

**Obj. Deadline: April 3, 2025 @ 4:00 p.m.**

**Hearing Date: April 11, 2025 @ 1:30 p.m.**

**Ref. D.I. Nos. 9, 11, 69**

**OMNIBUS LIMITED OBJECTION AND  
RESERVATION OF RIGHTS BY THE DIRECTORS GUILD  
OF AMERICA, INC., SCREEN ACTORS GUILD-AMERICAN FEDERATION  
OF TELEVISION AND RADIO ARTISTS, THE WRITERS GUILD OF  
AMERICA, WEST, INC., THEIR RESPECTIVE PENSION AND HEALTH PLANS,  
AND THE MOTION PICTURE INDUSTRY PENSION AND HEALTH PLANS TO (1)  
DEBTORS' MOTION FOR ENTRY OF ORDERS (I)(A) APPROVING BID  
PROCEDURES FOR SALE OF THE DEBTORS' ASSETS, (B) AUTHORIZING THE  
DEBTORS' ENTRY INTO THE STALKING HORSE APA AND APPROVING BID  
PROTECTIONS THEREUNDER, (C) SCHEDULING AN AUCTION FOR, AND  
HEARING TO APPROVE, SALE OF THE DEBTORS' ASSETS, (D) APPROVING  
FORM AND MANNER OF NOTICES OF SALE, AUCTION AND SALE HEARING,  
AND (E) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; (II)(A)  
APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL  
LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, AND (B) APPROVING  
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES; AND (C) GRANTING RELATED RELIEF, AND (2) DEBTORS'  
MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE  
DEBTORS TO (A) OBTAIN POSTPETITION FINANCING AND (B) UTILIZE CASH  
COLLATERAL, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE  
EXPENSE CLAIMS, (III) GRANTING ADEQUATE PROTECTION, (IV) MODIFYING  
THE AUTOMATIC STAY, (V) SCHEDULING A FINAL HEARING, AND (VI)  
GRANTING RELATED RELIEF**

<sup>1</sup> The last four digits of Village Roadshow Entertainment Group USA Inc.'s federal tax identification number are 0343. The mailing address for Village Roadshow Entertainment Group USA Inc. is 750 N. San Vicente Blvd., Suite 800 West, West Hollywood, CA 90069. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors and the last four digits of their federal tax identification is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://www.veritaglobal.net/vreg>.



251047525040300000000001

The Directors Guild of America, Inc., Screen Actors Guild-American Federation of Television and Radio Artists, the Writers Guild of America, West, Inc., (collectively, the “**Guilds**”), their respective Pension and Health Plans, and the Motion Picture Industry Pension and Health Plans (collectively, with the Guilds, the “**Union Entities**”), by and through their undersigned counsel, hereby file this Omnibus Limited Objection and Reservation of Rights to *Debtors’ Motion for Entry of Orders (I)(A) Approving Bid Procedures for Sale of the Debtors’ Assets, (B) Authorizing the Debtors’ Entry into the Stalking Horse APA and approving Bid Protections Thereunder, (C) Scheduling an Auction for, and Hearing to Approve, Sale of the Debtors’ Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, and (E) Approving Assumption and Assignment Procedures; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, and (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Granting Related Relief (“**Sale Motion**”) [D.I. 11] and Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief (“**DIP Motion**”) [D.I. 9].*

In support of this Limited Objection and Reservation of Rights, the Union Entities state as follows:

### **BACKGROUND**

1. Each Guild is the collective bargaining representative for directors, performers, or writers, respectively, in the motion picture entertainment industry. A substantial portion of the compensation payable to Guild-represented employees comes in the form of “**Residuals**” – fees payable to such employees as motion pictures produced subject to Guild collective bargaining

agreements and other related labor agreements (“**Guild CBAs**”) are exploited in markets beyond the market of initial release. Each Guild pension and health plan is a multiemployer ERISA fund, supported by contributions based on initial compensation and fringe payments calculated in the same fashion as Residuals. The Motion Picture Industry Pension and Health Plans provide pension and health benefits for “below-the-line” employees engaged in various motion picture crafts and trades and are largely funded by contributions analogous to Residuals.

2. On March 17, 2025 (“**Petition Date**”), the above-captioned debtors (“**Debtors**”), filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code.

3. On the Petition Date, the Debtors filed the Sale Motion, seeking this Court’s approval of certain bidding procedures and, as applicable, the sale of the Debtors’ assets (“**Sale**”), pursuant to a stalking horse purchase agreement (“**Stalking Horse APA**”) that includes certain Debtor rights in 108 motion pictures (as specified in Schedule II to the executed Stalking Horse APA, the “**Sale Titles**”), and the DIP Motion, which seeks approval of postpetition financing in the form of a secured, superpriority, debtor-in-possession term loan facility (the “**DIP Facility**”) offered by certain Prepetition Senior Secured Noteholders on a final basis.

4. On a picture by picture basis, the Sale Titles and certain other motion pictures produced or distributed by the Debtors are subject to the Guild CBAs and, as applicable, related Union Entity agreements, which include, but are not limited to, security agreements, assumption agreements, intercreditor agreements, interparty agreements, trust agreements, collection account management agreements and guaranty agreements entered into by the Debtors, the affiliated-Debtor entities, and/or third parties, as applicable, and in favor of each or all of the Union Entities (collectively, the “**Guild Motion Picture Interests**”).

**LIMITED OBJECTION AND RESERVATION OF RIGHTS**

4. The Union Entities are in productive dialog with counsel for the Debtors and other parties in interest, focusing on lien priorities, quantification of Guild claims, and post-acquisition preservation of Guild liens and third-party obligations to the Union Entities, established by the Guild Motion Picture Interests. Certain aspects of the Stalking Horse APA and the DIP Facility remain under discussion, and the Union Entities reserve all positions, rights, and remedies in connection with substantive sale terms and the ramifications of the DIP Facility for Guild liens, as these may come to be heard by this Court.

5. In connection with the Sale, sale procedures, and the Stalking Horse APA, the materials suggest that, where applicable, the interests of the Union Entities will be assumed by the Stalking Horse purchaser, and that there shall be no disturbance of any of the Guild Motion Picture Interests in any of the Sale Titles. This understanding is in line with precedent in other entertainment bankruptcies in Delaware and across the United States,<sup>2</sup> and with the principle of

---

<sup>2</sup> See, e.g., Order (I) Authorizing the Sale of All or Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Interest, Encumbrances and Other Interests, (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (III) Granting Related Relief at 24, In re The Weinstein Company Holdings LLC, et al., No. 18-10601 (Bankr. D. Del. May 9, 2018), ECF No. 846 (excepting Guild residuals from sale free and clear, requiring purchaser to execute Guild assumption agreements and to pay residuals relating to post-acquisition exploitation of Guild-covered motion pictures); Order (1) Approving Asset Purchase Agreement Among the Debtors and the Buyer, (II) Approving Sale of Substantially All Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), (f), and (m), (III) Approving Assumption, Assignment and Sale of Certain Executory Contracts and Unexpired Leases Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 363 and 365, (IV) Determining the Amounts Necessary to Cure Such Executory Contracts and Unexpired Leases, and (V) Granting Related Relief at 6, 9, In re Open Road Films, LLC, et al., No. 18-12012 (Bankr. D. Del. Dec. 19, 2018), ECF No. 483 (approving sale of motion picture assets free and clear of all liens, etc., except "Permitted Liens," which are defined in the APA, attached as Exhibit B (D.I. 483-1 at 14), as, among other things, "any Liens . . . with respect to Guild Residuals," and requiring the purchaser to assume post-acquisition Guild obligations (D.I. 483-1 at 36)). See also Disclosure Statement With Respect to Joint Prepackaged Plan of Reorganization of RHI Entertainment, Inc. and Affiliated Debtors at 35-37, In re RHI Entertainment, Inc., et al., No. 10-16536 (Bankr. S.D.N.Y. Dec. 10, 2010), ECF No. 21 (describing full cure of pre-petition Residuals, coupled with standard-form assumption agreements to be executed by reorganized debtor); Morgan Creek Productions, Inc.'s Submission of (1) Asset Purchase Agreement for the Franchise Assets, (2) Redline of Asset Purchase Agreement Against FPLAC APA, and (3) Binding Letter of Intent for the SPE Assets at 16-17, In re Franchise Pictures LLC,

*cum onore*, which provides that a party who wishes to obtain the benefit of an executory contract must also assume the burdens of that contract. *See, e.g., Enter. Energy Corp. v. United States (In re Columbia Gas Sys., Inc., 50 F.3d 233, 239 n.8 (3d Cir. 1995); In re Fleming Cos., Inc., 499 F.3d 300, 308 (3d Cir. 2007)* (holding that a party cannot accept the benefit of a contract while also rejecting the burdens). However, given the breadth of the “free and clear” provisions of the Sale-related papers, and in an abundance of caution, the Union Entities have raised concerns to the Debtors with respect to any potential disturbance of the Guild Motion Picture Interests.

6. The Debtors have represented to the Union Entities that the Stalking Horse APA and the proposed Sale are not intended to disturb any of the Guild Motion Picture Interests. Moreover, with respect to the Sale Titles, third party entities are presently responsible for all, or nearly all, Residuals obligations, and the Debtors represent that such third parties will continue to be responsible for the Guild Motion Picture Interests after the Sale. In this spirit, the Union Entities request that the Debtors continue to share information with the Union Entities with respect to the proposed Sale and/or in any instance in which motion pictures or development projects produced subject to the Guild Motion Picture Interests are sold, subject to revisions in

---

et al., No. 05-13855 (Bankr. C.D. Cal. Aug. 8, 2006), ECF No. 625 (obligating purchaser to execute Guild assumption agreements and to pay residuals and plan contributions relating to post-acquisition exploitation of Guild-covered motion pictures); Debtor’s Second Amended Chapter 11 Plan of Reorganization at 94-95, *In re Persik Productions, Inc., fka Bob Yari Productions*, No. 10-12122 (Bankr. C.D. Cal. March 11, 2011), ECF No. 221 (obligating purchaser to execute Guild assumption agreements and to pay residuals and plan contributions relating to post-acquisition exploitation of Guild-covered motion pictures); Asset Purchase Agreement by and Between Inverness Distribution Limited and Revolution Studios Holding Company, LLC at 23, *In re Inverness Distribution Limited f/k/a Morgan Creek International Limited*, No. 11-15939 (Bankr. S.D.N.Y. Sept. 8, 2014), ECF No. 263-1 (obligating purchaser to execute Guild assumption agreements and to pay residuals and plan contributions relating to post-acquisition exploitation of Guild-covered motion pictures); Plan Proponents’ Fourth Amended Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code at 14, 53, *In re Relativity Fashion, LLC, et al.*, No. 15-11989 (Bankr. S.D.N.Y. Feb. 8, 2016), ECF No. 1572 (requiring purchaser to assume post-acquisition Guild obligations); Order (A) Approving the Asset and Equity Purchase Agreement, (B) Authorizing the Sale of Assets, (C) Authorizing the Assumption and Assignment of Contracts and Leases, and (D) Granting Related Relief at 34, *In re Vice Group Holding Inc.*, No. 23-10738 (Bankr. S.D.N.Y. June 23, 2023), ECF No. 214 (obligating purchaser to execute Guild assumption agreements and to pay residuals relating to post-acquisition exploitation of Guild-covered motion pictures; preserving full force and effect of Guild security agreements without modification or prejudice).

the Stalking Horse APA or in any other manner to competing or alternative bidders through the Sale process.

6. In connection with the DIP Motion and the DIP Facility, and as provided for by the “**Interim Order**” [D.I. 69], the Guilds are investigating the extent to which the collateral backing the DIP Facility is coextensive with the Debtors’ motion picture assets that were produced under Guild CBAs and that may be subject to Guild Motion Picture Interests. The DIP Motion made no mention of the Guilds or potential Guild collateral, nor does the DIP Motion provide for or otherwise address adequate protection of Guild secured interests. However, as specified in the Interim Order, the Debtors have represented that, upon the conclusion of these investigations, on an account of any applicable Guild liens, the Guilds will receive all entitlements under the law. These discussions remain in process.

9. This Limited Objection and Reservation of Rights is filed out of an abundance of caution until the Union Entities have had an opportunity to review revisions to the Stalking Horse APA and/or any other sale structure or related Sale order that would confirm the non-disturbance of the Guild Motion Picture Interests as a result of the Sale, and until they are reasonably assured that Guild collateral is not being used to finance these proceedings without adequate protection or until such adequate protection is in place, as applicable.

10. The Union Entities reserve the right to supplement this Limited Objection and Reservation of Rights, and to respond to any filing of the Debtors or any other party-in-interest in these Chapter 11 proceedings, either by additional submissions to this Court or through oral argument at any subsequent hearing considering the relief requested in the Sale Motion, the DIP Motion, or any other First Day Motion. The Union Entities further reserve the right to review and comment on the Bid Procedures Order, the Sale Order, the Final DIP Order, or any other order with respect to the Sale Motion, the DIP Motion, and all other First Day Motions.

Date: April 3, 2025

LAW OFFICE OF SUSAN E. KAUFMAN, LLC

*/s/ Susan E. Kaufman*

---

Susan E. Kaufman (DSB# 3381)  
919 North Market Street, Suite 460  
Wilmington, DE 19801  
(302) 472-7420  
(302) 792-7420 Fax  
skaufman@skaufmanlaw.com

-and-

David E. Ahdoot  
Kirk M. Prestegard  
BUSH GOTTLIEB, A Law Corporation  
801 North Brand Boulevard, Suite 950  
Glendale, CA 91203  
(818) 973-3200  
(818) 973-3201 Fax  
dahdoot@bushgottlieb.com  
kprestegard@bushgottlieb.com

*Counsel for The Directors Guild of America, Inc.,  
Screen Actors Guild-American Federation of  
Television and Radio Artists, the Writers Guild of  
America, West, Inc., their respective Pension and  
Health Plans, and the Motion Picture Industry Pension  
and Health Plans*

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

In re: )  
 ) Chapter 11  
Village Roadshow Entertainment Group )  
USA Inc., *et al.* ) Case No. 25-10475 (TMH)  
Debtors. ) (Jointly Administered)

**CERTIFICATE OF SERVICE**

I hereby certify that on April 3, 2025 a true and correct copy of the foregoing *Omnibus Limited Objection and Reservation of Rights of the Union Entities to the Debtors' Bid Procedures and Final Dip Motions* was sent to the following as indicated:

**VIA E-MAIL ONLY**

Joseph M. Mulvihill  
Carol E. Thompson  
Benjamin C. Carver  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Rodney Square  
1000 North King Street  
Wilmington, DE 19801  
jmulvihill@ycst.com  
bcarver@ycst.com  
cthompson@ycst.com

Justin R. Bernbrock  
Matthew T. Benz  
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
321 North Clark Street, 32nd Floor  
Chicago, Illinois 60654  
jbernbrock@sheppardmullin.com  
mbenz@sheppardmullin.com

Jennifer L. Nassiri  
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
1901 Avenue of the Stars, Suite 1600  
Los Angeles, CA 90067  
jnassiri@sheppardmullin.com



Alyssa Paddock  
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
30 Rockefeller Plaza, 39th Floor  
New York, NY 10112  
apaddock@sheppardmullin.com

Rosa Sierra-Fox  
Office of the United States Trustee  
844 King Street  
Suite 2201  
Wilmington, DE 19801  
Rosa.sierra-fox@usdoj.gov

James Newton  
Miranda K. Russell  
Morrison Foerster  
250 West 55th Street  
New York, NY 10019  
jnewton@mof.com  
mrussell@mof.com

Christopher Samis  
Potter Anderson & Corroon LLP  
Hercules Plaza  
1313 North Market Street  
6<sup>th</sup> Floor  
Wilmington, DE 19801  
csamis@potteranderson.com

Daniel Shamah  
Cooley LLP  
55 Hudson Yards  
New York, NY 10001  
dshamah@cooley.com

John Ashmead  
Gregg Bateman  
Seward & Kissel LLP  
One Battery Park Plaza  
New York, NY 10004  
ashmead@sewkis.com  
bateman@sewkis.com

Aaron Gavant  
Barnes & Thornburg LLP  
One North Wacker Drive  
Suite 4400  
Chicago, IL 60606  
agavant@btlaw.com

Liliana Ranger  
Latham & Watkins LLP  
10250 Constellation Blvd., Suite 1100  
Los Angeles, CA 90067  
liliana.ranger@lw.com

David Hammerman  
Latham & Watkins LLP  
1271 Avenue of the Americas  
New York, NY 10020  
david.hammerman@lw.com

Date: April 3, 2025

LAW OFFICE OF SUSAN E. KAUFMAN, LLC

*/s/ Susan E. Kaufman* \_\_\_\_\_

Susan E. Kaufman, (DSB# 3381)  
919 North Market Street, Suite 460  
Wilmington, DE 19801  
(302) 472-7420  
(302) 792-7420 Fax  
[skaufman@skaufmanlaw.com](mailto:skaufman@skaufmanlaw.com)