

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

In re:

VILLAGE ROADSHOW ENTERTAINMENT
GROUP USA INC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 25-10475 (TMH)

(Jointly Administered)

**LIMITED OBJECTION AND RESERVATION
OF RIGHTS OF MAGNUM FILMS SPC TO
BIDDING PROCEDURES MOTION**

Magnum Films SPC (“Magnum”) files this limited objection and reservation of rights (the “Limited Objection”) to the *Debtors’ Motion for Entry of Orders (I)(A) Approving Bid Procedures for the 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 (III) Granting Related Relief* [Dkt. No. 11] (the “Bidding Procedures Motion”)² filed by the above-captioned debtors and debtors-in-possession (the “Debtors”). In support of this Limited Objection, Magnum respectfully states as follows:

¹ 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>.

² All capitalized terms herein that are not otherwise defined shall have the meanings ascribed to such terms in the Bidding Procedures Motion.



LIMITED OBJECTION

1. Magnum is a BVI-incorporated segregated portfolio company, funded by Domain Capital Group, that entered into a number of film-related transactions with the Debtors between 2013 and 2024. Magnum files this Limited Objection for the sole purpose of fully reserving, until the time of the Sale Hearing, its rights with respect to the treatment of the agreements that Magnum entered into with the Debtors in connection with its purchase of a substantial interest in the Film Library.

2. Between 2013 and 2020, various Debtors entered into (a) that certain Sale Agreement, dated December 20, 2013, and most recently amended on November 10, 2020, by and among Village Roadshow Films (BVI) Limited (“VRF”), Village Roadshow Distribution (BVI) Limited (“VRD”), and Magnum; (b) that certain Fourth Amended and Restated Co-Investment Agreement, dated as of November 10, 2020, by and among, among others, VRF, VRD and Magnum; and (c) that certain Second Amended and Restated Co-Investment Agreement (Global) dated as of November 10, 2020, by and among, Village Roadshow Films North America Inc., Village Roadshow Distribution USA Inc., and Magnum (collectively, with various supplemental agreements, the “Magnum Sale, Co-Investment and Intercreditor Agreements”), which resulted in Magnum, after exercising various options, purchasing (the “Magnum Transaction”) an undivided 50% interest in the Debtors’ intellectual property, distribution rights, cash flows, and other property related to the relevant films in the Film Library (the “Magnum Assets”).

3. Most significantly—as the Debtors conceded in the First Day Declaration—the Magnum Transaction operated such that Magnum now owns an undivided 50% interest in and to proceeds and cash flows from the relevant films in the Film Library (such proceeds, the “Magnum Distributable Amount” and the “Magnum Payments”). In recognition of these circumstances, the

Debtors have agreed—in the context of the Final DIP Order, the Cash Management Order, and the Bidding Procedures Order—to carve the Magnum Assets (including but not limited to the Magnum Distributable Amount and Magnum Payments) out of the DIP Collateral, the Cash Collateral and the Purchased Assets, respectively. The Magnum Assets are simply not assets of the Debtors’ estates under section 541 of the Bankruptcy Code; no one disputes this proposition.

4. However, there is a set of agreements entered into by Magnum with the Debtors—namely the Magnum Sale, Co-Investment and Intercreditor Agreements—that impose ongoing and continuing obligations on the Debtors to protect, implement, or otherwise affect Magnum’s rights as the owner of the Magnum Assets. These obligations include, without limitation, (i) the obligation to service the collection, accounting, and payment of the Magnum Distributable Amount and Mangum Payments to and on behalf of Magnum; (ii) the obligation to furnish to Magnum all information and reports relating to any past, present or future audits performed by the Debtors with respect to the relevant films in the Film Library, together with any Magnum Distributable Amount or Magnum Payments derived from those audits (collectively, the “Magnum Audit Rights”); and (iii) the obligation to preserve and protect the security interests granted to Magnum pursuant to the Magnum Sale, Co-Investment and Intercreditor Agreements.

5. The Stalking Horse APA currently provides that the Debtors will assign to the Buyer “certain of the Picture Agreements”³—which would include most of the relevant Magnum Sale, Co-Investment and Intercreditor Agreements—but neither the Debtors nor the Stalking Horse Bidder have been able or willing to provide any greater clarity or certainty at this juncture that all agreements relevant to the protection of Magnum’s rights as an owner of the Magnum Assets will be assumed by the Debtors and assigned to the Stalking Horse Bidder or another Successful Buyer.

³ Stalking Horse APA § 2.5(a).

6. If the Magnum Sale, Co-Investment, and Intercreditor Agreements are not treated appropriately (by assumption and assignment to the Successful Bidder or otherwise), Magnum will be deprived of the benefit of its bargain as the purchaser of the Magnum Assets. It acquired not just ownership of the Magnum Assets, but the contractual means to realize and validate the value of these assets through the Magnum Distributable Amount, the Magnum Payments, and Magnum Audit Rights.

7. Magnum is hopeful a resolution will be reached between itself, the Debtors, and potential buyers prior to Sale Hearing, and acknowledges that such issues are often resolved in the Sale Hearing context. In the interim, however, all of Magnum's rights and objections must be preserved. If the Court permits the Debtors to enter into the Stalking Horse APA, nothing in the APA or the Bidding Procedures Order should be deemed to affect, impair, or prejudice Magnum's rights with respect to the Magnum Sale, Co-Investment, and Intercreditor Agreements, or its ability to object to approval of the Sale Transactions if all such agreements are not assumed by the Debtors and assigned to the Successful Bidder or afforded otherwise appropriate treatment..

Dated: April 10, 2025
Wilmington, Delaware

DLA PIPER LLP (US)

By: /s/ Aaron Applebaum
Aaron Applebaum (DE 5587)
Roxanne M. Eastes (DE 6654)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Telephone: (302) 468-5700
Facsimile: (302) 394-2341
E-mail: aaron.applebaum@us.dlapiper.com
roxanne.eastes@us.dlapiper.com

– and –

Dennis O'Donnell
DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020-1104
Telephone: (212) 335-4665
Facsimile: (917) 778-8665
Email: dennis.odonnell@us.dlapiper.com

– and –

Tom K. Ara
DLA Piper LLP (US)
2000 Avenue of the Stars
Suite 400 North Tower
Los Angeles, California 90067-4735
Telephone: (310) 595-3000
Facsimile: (310) 595-3300
Email: tom.ara@us.dlapiper.com

Counsel to Magnum Films SPC

CERTIFICATE OF SERVICE

I, Aaron Applebaum, hereby certify that on this 10th day of April, 2025, a true and correct copy of the foregoing *Limited Objection and Reservation of Rights of Magnum Films SPC to Bidding Procedures Motion* was served via CM/ECF upon the parties registered to receive e-filing notifications in this case.

/s/ Aaron Applebaum
Aaron Applebaum (DE 5587)