

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

In re:	)	
	)	Chapter 11
VILLAGE ROADSHOW ENTERTAINMENT	)	
GROUP USA INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 25-10475 (TMH)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	Ref. Docket Nos. 9, 69, 144, & 219
	)	

**DIP LENDERS' JOINDER TO THE DEBTORS'  
REPLY IN SUPPORT OF THE DIP MOTION**

Falcon Strategic Partners IV, LP and 1397225 Ontario Limited (collectively, the “DIP Lenders”), hereby submit this joinder (this “Joinder”) to the reply [Docket No. 219] (the “Reply”) filed by the debtors and debtors-in-possession (collectively the “Debtors”) in support of the *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* [Docket No. 9] (the “DIP Motion”) and in response to the objection thereto filed by Warner Bros. Entertainment Inc. and its affiliates (collectively, “Warner Bros.”) [Docket No. 144] (the “Warner Bros. Objection”), and respectfully state as follows:<sup>2</sup>

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<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>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the DIP Motion or the Reply, respectively.



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**JOINDER**

1. For the past 18 months, the DIP Lenders have funded and supported the Debtors' efforts to market and achieve a value maximizing sale of their assets for the benefit of their creditors. In the three months prior to the Petition Date, alone, the DIP Lenders provided approximately \$5.8 million in additional capital. The vast majority of this capital was utilized to allow the Debtors to finalize a stalking horse agreement in February 2025 for the sale of their most valuable assets—the Library Assets—and to prepare for the Debtors' transition into these chapter 11 cases in March in order to effectuate that sale.

2. During these chapter 11 cases, the DIP Lenders have agreed to continue to support the Debtors' efforts, providing \$500,000 of funding on an interim basis and agreeing to make available another \$6.5 million of funding on a final basis. Although modest, the DIP Facility is critical to the Debtors' successful prosecution of these cases. The Debtors maintain limited operations and must continue to pay ongoing operating costs, as set forth in the DIP Budget. But they also must pay for administration of these chapter 11 cases. Warner Bros.' suggestion that the DIP Facility is unnecessary (*see* Warner Bros. Objection ¶ 40 n.20) and that Warner Bros. would "entertain" funding "critical operating expenses" only (*Id.* at ¶ 9) in lieu of the DIP Facility, ignores the full universe of costs faced by the Debtors in these cases. Courts in this district routinely reject the notion that estate professionals should be forced to work on "spec," providing services to chapter 11 debtors without a source of payment for those administrative expenses. *See generally, e.g.,* Hr'g Tr. at 100:17–20, *In re NEC Holdings Corp.*, Case No. 10-11890 (KG) (Bankr. D. Del. July 13, 2010) [Docket No. 224] (indicating that secured creditors have "got to pay the freight, and the freight is . . . certainly an administratively solvent estate"); Hr'g Tr. at 23:16-25:16, *In re Townsends, Inc.*, Case No. 10-14092 (CSS) (Bankr. D. Del. Jan. 21, 2011)

[Docket No. 338] (refusing to approve financing for a sale process that would leave the estate administratively insolvent). This case is no different. In short, any arguments that the DIP Facility is unnecessary are belied by the facts of these cases.

3. Although the DIP Lenders have been and continue to be willing to fund the Debtors' efforts to sell the Library Assets in as orderly a process as possible, they were unwilling to do so without assurances of repayment. To this end, the DIP Lenders required that the Debtors pledge the Library Assets in support of payment of the new money DIP Loans and the limited DIP Roll-Up Loans. Objections to the DIP Motion by Warner Bros., the most direct beneficiary of the DIP Lenders' funding, are misplaced and should be overruled. The Debtors' Reply sets forth ample support for approval of the DIP Motion and the DIP Facility, and the DIP Lenders respectfully join in and adopt all of the arguments raised therein.

### **CONCLUSION**

WHEREFORE the DIP Lenders respectfully request that this Court overrule the Warner Bros. Objection and grant the relief requested therein on a final basis.

*[Remainder of Page Intentionally Left Blank]*

Dated: April 21, 2025  
Wilmington, Delaware

Respectfully submitted,

/s/ Shannon A. Forshay

Christopher M. Samis (No. 4909)

R. Stephen McNeill (No. 5210)

Brett M. Haywood (No. 6166)

Shannon A. Forshay (No. 7293)

**POTTER ANDERSON & CORROON LLP**

1313 N. Market Street, 6th Floor

Wilmington, Delaware 19801

Telephone: (302) 984-6000

Facsimile: (302) 658-1192

Email: csamis@potteranderson.com  
rmcneill@potteranderson.com  
bhaywood@potteranderson.com  
sforshay@potteranderson.com

– and –

James A. Newton, Esq. (admitted *pro hac vice*)

Miranda K. Russell, Esq. (admitted *pro hac vice*)

**MORRISON & FOERSTER LLP**

250 West 55th Street

New York, New York 10019-9601

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

Email: jnewton@mofo.com  
mrussell@mofo.com

*Counsel for 1397225 Ontario Limited and  
Falcon Strategic Partners IV, LP*

**CERTIFICATE OF SERVICE**

I, Shannon A. Forshay, do hereby certify that on April 21, 2025, a copy of the foregoing **DIP Lenders' Joinder to the Debtors' Reply in Support of the DIP Motion** was served on the parties listed on the attached service list in manner indicated.

/s/ Shannon A. Forshay  
Shannon A. Forshay (No. 7293)

**SERVICE LIST**

<b><u>Counsel to the Debtors</u></b> Joseph M. Mulvihill, Esq. Carol E. Thompson, Esq. Benjamin C. Carver, Esq. YOUNG CONAWAY STARGATT & TAYLOR, LLP 1000 N. King Street Wilmington, DE 19801 Email: <a href="mailto:jmulvihill@ycst.com">jmulvihill@ycst.com</a> ; <a href="mailto:cthompson@ycst.com">cthompson@ycst.com</a> ; <a href="mailto:bcarver@ycst.com">bcarver@ycst.com</a>  <b>Via Email</b>	<b><u>Counsel to the Debtors</u></b> Justin R. Bernbrock, Esq. Matthew T. Benz, Esq. SHEPPARD, MULLIN, RICHTER & HAMPTON LLP 321 N. Clark Street, 32 <sup>nd</sup> Floor Chicago, IL 60654 Email: <a href="mailto:jbernbrock@sheppardmullin.com">jbernbrock@sheppardmullin.com</a> ; <a href="mailto:mbenz@sheppardmullin.com">mbenz@sheppardmullin.com</a>  <b>Via Email</b>	<b><u>Counsel to the Debtors</u></b> Jennifer L. Nassiri, Esq. SHEPPARD, MULLIN, RICHTER & HAMPTON LLP 1901 Avenue of the Stars, Suite 1600 Los Angeles, CA 90067 Email: <a href="mailto:jnassiri@sheppardmullin.com">jnassiri@sheppardmullin.com</a>  <b>Via Email</b>
<b><u>Counsel to the Debtors</u></b> Alyssa Paddock, Esq. SHEPPARD, MULLIN, RICHTER & HAMPTON LLP 30 Rockefeller Plaza, 39 <sup>th</sup> Floor New York, NY 10112 Email: <a href="mailto:apaddock@sheppardmullin.com">apaddock@sheppardmullin.com</a>  <b>Via Email</b>	<b><u>Counsel for the Directs Guild of America, Inc., et al.</u></b> Susan E. Kaufman, Esq. LAW OFFICE OF SUSAN E. KAUFMAN, LLC 919 N. Market Street, Suite 460 Wilmington, DE 19801 Email: <a href="mailto:skaufman@skaufmanlaw.com">skaufman@skaufmanlaw.com</a>  <b>Via Email</b>	<b><u>Counsel for the Directs Guild of America, Inc., et al.</u></b> David E. Ahdoot, Esq. Kirk M. Prestegard, Esq. BUSH GOTTLIEB 801 N. Brand Boulevard, Suite 950 Glendale, CA 91203 Email: <a href="mailto:dahdoot@bushgottlieb.com">dahdoot@bushgottlieb.com</a> ; <a href="mailto:kprestegard@bushgottlieb.com">kprestegard@bushgottlieb.com</a>  <b>Via Email</b>
<b><u>Counsel for Warner Bros.</u></b> Curtis S. Miller, Esq. Matthew B. Harvey, Esq. MORRIS, NICHOLS, ARSHT & TUNNELL LLP 1201 N. Market Street, 16 <sup>th</sup> Floor Wilmington, DE 19801 Email: <a href="mailto:cmiller@morrisnichols.com">cmiller@morrisnichols.com</a> ; <a href="mailto:mharvey@morrisnichols.com">mharvey@morrisnichols.com</a>  <b>Via Email</b>	<b><u>Counsel for Warner Bros.</u></b> Steve Warren, Esq. O'MELVENY & MYERS LLP 400 S. Hope Street, Suite 1900 Los Angeles, CA 90071 Email: <a href="mailto:swarren@omm.com">swarren@omm.com</a>  <b>Via Email</b>	<b><u>Counsel for Warner Bros.</u></b> Matt Kline, Esq. O'MELVENY & MYERS LLP 1999 Avenue of the Stars, 8 <sup>th</sup> Floor Los Angeles, CA 90067 Email: <a href="mailto:mkline@omm.com">mkline@omm.com</a>  <b>Via Email</b>
<b><u>Counsel for Warner Bros.</u></b> Scott Drake, Esq. Emma Jones, Esq. O'MELVENY & MYERS LLP 2801 N. Hardwood Street, Suite 1600 Dallas, TX 75201 Email: <a href="mailto:sdrake@omm.com">sdrake@omm.com</a> ; <a href="mailto:eljones@omm.com">eljones@omm.com</a>  <b>Via Email</b>	<b><u>Counsel for Magnum Films SPC</u></b> Aaron Applebaum, Esq. Roxanne M. Eastes, Esq. DLA PIPER LLP (US) 1201 N. Market Street, Suite 2100 Wilmington, DE 19801 Email: <a href="mailto:aaron.applebaum@us.dlapiper.com">aaron.applebaum@us.dlapiper.com</a> ; <a href="mailto:roxanne.eastes@us.dlapiper.com">roxanne.eastes@us.dlapiper.com</a>  <b>Via Email</b>	<b><u>Counsel for Magnum Films SPC</u></b> Dennis O'Donnell, Esq. DLA PIPER LLP (US) 1251 Avenue of the Americas New York, NY 10020-1104 Email: <a href="mailto:dennis.odonnell@us.dlapiper.com">dennis.odonnell@us.dlapiper.com</a>  <b>Via Email</b>

<p><b><u>Counsel for Magnum Films SPC</u></b>  Tom K. Ara, Esq.  DLA PIPER LLP (US)  2000 Avenue of the Stars, Suite 400  Los Angeles, CA 90067-4735  Email: <a href="mailto:tom.ara@us.dlapiper.com">tom.ara@us.dlapiper.com</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for Ad Hoc Group of ABS Noteholders</u></b>  David B. Stratton, Esq.  Joseph C. Barsalona II  Alexis R. Gambale, Esq.  PASHMAN STEIN WALDER HAYDEN, P.C.  824 N. Market Street, Suite 800  Wilmington, DE 19801  Email: <a href="mailto:dstratton@pashmanstein.com">dstratton@pashmanstein.com</a>;  <a href="mailto:jbarsalona@pashmanstein.com">jbarsalona@pashmanstein.com</a>;  <a href="mailto:agambale@pashmanstein.com">agambale@pashmanstein.com</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for Ad Hoc Group of ABS Noteholders</u></b>  Joshua A. Feltman, Esq.  Michael S. Benn, Esq.  Joel M. Simwina, Esq.  Katherine P. Waldock, Esq.  WACHTELL, LIPTON, ROSEN, AND KATZ  51 West 52<sup>nd</sup> Street  New York, NY 10019  Email: <a href="mailto:JAFeltman@wlrk.com">JAFeltman@wlrk.com</a>;  <a href="mailto:MSBenn@wlrk.com">MSBenn@wlrk.com</a>;  <a href="mailto:JMSimwina@wlrk.com">JMSimwina@wlrk.com</a>;  <a href="mailto:KPWaldock@wlrk.com">KPWaldock@wlrk.com</a></p> <p><b>Via Email</b></p>
<p><b><u>Counsel for Sony Pictures Entertainment, Inc., et al.</u></b>  William E. Chipman, Jr., Esq.  CHIPMAN BROWN CICERO &amp; COLE LLP  1313 N. Market Street, Suite 5400  Wilmington, DE 19801  Email: <a href="mailto:chipman@chipmanbrown.com">chipman@chipmanbrown.com</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for Sony Pictures Entertainment, Inc., et al.</u></b>  Leib M. Lerner, Esq.  Douglas J. Harris, Esq.  ALSTON &amp; BIRD LLP  350 S. Grand Avenue, 51<sup>st</sup> Floor  Los Angeles, CA 90071  Email: <a href="mailto:leib.lerner@alston.com">leib.lerner@alston.com</a>;  <a href="mailto:douglas.harris@alston.com">douglas.harris@alston.com</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for Sony Pictures Entertainment, Inc., et al.</u></b>  Stephen M. Blank, Esq.  ALSTON &amp; BIRD LLP  90 Park Avenue  New York, NY 10016  Email: <a href="mailto:stephen.blank@alston.com">stephen.blank@alston.com</a></p> <p><b>Via Email</b></p>
<p><b><u>United States Trustee for the District of Delaware</u></b>  Rosa Sierra-Fox, Esq.  Office of the United States Trustee for the District of Delaware  844 King Street, Suite 2207  Lockbox 35  Wilmington, DE 19801  Email: <a href="mailto:rosa.sierra-fox@usdoj.gov">rosa.sierra-fox@usdoj.gov</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for the Official Committee of Unsecured Creditors</u></b>  Bradford J. Sandler, Esq.  Peter J. Keane, Esq.  PACHULSKI STANG ZIEHL &amp; JONES LLP  919 N. Market Street, 17<sup>th</sup> Floor  Wilmington, DE 19801  Email: <a href="mailto:bsandler@pszjlaw.com">bsandler@pszjlaw.com</a>;  <a href="mailto:pkeane@pszjlaw.com">pkeane@pszjlaw.com</a></p> <p><b>Via Email</b></p>	<p><b><u>Counsel for the Official Committee of Unsecured Creditors</u></b>  Robert J. Feinstein, Esq.  Shirley S. Cho, Esq.  PACHULSKI STANG ZIEHL &amp; JONES LLP  780 Third Avenue, 34<sup>th</sup> Floor  New York, NY 10017-2024  Email: <a href="mailto:rfeinstein@pszjlaw.com">rfeinstein@pszjlaw.com</a>;  <a href="mailto:scho@pszjlaw.com">scho@pszjlaw.com</a></p> <p><b>Via Email</b></p>