

**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)

Obj. Deadline: May 12, 2025 @ 4:00 p.m.

Hearing: June 10, 2025 @ 10:00 a.m.

Ref. D.I. No. 276, 293, 297

**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
SALE OF DEBTORS' ASSETS**

The Directors Guild of America, Inc. (“**DGA**”), Screen Actors Guild-American Federation of Television and Radio Artists (“**SAG-AFTRA**”), the Writers Guild of America, West, Inc., (“**WGA**”) (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, submit this Limited Objection and Reservation of Rights related to the *Amended Order (I) Approving Bid Procedures for the Sale of the Debtors' Assets, (II) Authorizing the Debtors' Entry Into the Stalking Horse APA and Approving Bid Protections Thereunder, (III) Scheduling an Auction for, and Hearing to*

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>.



251047525051200000000001

Approve, Sale of the Debtors' Assets, (IV) Approving Form and Manner of Notices of Sale, Auction, and Sale Hearings, and (V) Approving Assumption and Assignment of Procedures, and (VI) Granting Related Relief (the “**Amended Sale Procedures Order**”) [D.I. 276], entered by the Court in response to the motions filed by Village Roadshow Entertainment Group USA Inc. (“**Village Roadshow**”) and its related debtor affiliates (collectively, the “**Debtors**”) on March 17, 2025 (“**Sale Motion**”) [D.I. 11], and April 16, 2025 (“**Supplemental Motion**”) [D.I. 197], respectively; and the *Notice of Possible Assumption and Assignment of Certain Executory Contracts* (“**Contracts Notice**”) [D.I. 293] filed on April 28, 2025, and the *Supplemental Notice of Possible Assumption and Assignment of Certain Executory Contracts* (“**Supplemental Contracts Notice**”) [D.I. 297], filed on April 30, 2025 (collectively, “**Contracts Notices**”).

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**”).

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**”).

5. On April 16, the Debtors filed the Supplemental Motion, which, among other things, sought an order from the Court approving (i) a new Stalking Horse Bidder (Alcon Media Group, LLC), (ii) the Debtors’ entry into the “**Alcon Stalking Horse APA**”, and (iii) a \$2 million expense reimbursement provided to the Alcon Stalking Horse Bidder. The Sale Titles and the Debtors’ purported rights in the Sale Titles remained unchanged as between the Stalking Horse APA and the Alcon Stalking Horse APA.

6. On April 28, 2025, the Debtors filed the Contracts Notice, and on April 30, 2025, the Debtors filed the Supplemental Contracts Notice (collectively, “**Contracts Notices**”), identifying those contracts that may potentially be assumed and assigned as part of the Sale and

the amount to cure each such contract, as applicable.

LIMITED OBJECTION AND RESERVATION OF RIGHTS

7. The Union Entities remain 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 Alcon Stalking Horse APA remain under discussion, and the Union Entities reserve all positions, rights, and remedies in connection with substantive sale terms, as these may come to be heard by this Court.

8. In connection with the Sale, the Amended Sale Procedures Order, and the Alcon Stalking Horse APA, the materials suggest that, where applicable, the interests of the Union Entities will be assumed by the winning bidder, 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,² and

² 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, 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

with the principle of *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.*

9. The Debtors have represented to the Union Entities that the Alcon Stalking Horse APA, like the original 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

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).

Picture Interests are sold to competing or alternative bidders through the Sale process, subject to revisions in the Alcon Stalking Horse APA or in any other manner.

10. The Contracts Notices are also of some concern to the Union Entities due to the inclusion of several contracts subject to the terms and conditions of applicable WGA collective bargaining agreements (collectively, “**Writer Agreements**”). The WGA’s investigation into the identified Writer Agreements and corresponding Debtor interests is continuing, and includes, *inter alia*, whether the Debtors’ stated cure amounts are accurate. In that regard, the WGA submitted additional information to the Debtors flagging such issues and await their response. Accordingly, the Union Entities reserve all rights and remedies, without limitation or prejudice.

11. This Limited Objection and Reservation of Rights is filed to preserve all Union Entities’ interests until there is an opportunity to review revisions to the Alcon Stalking Horse APA and/or any other sale structure or related sale orders that would confirm the non-disturbance of the Guild Motion Picture Interests, and to assess the impact, if any, of the Contracts Notices on Guild Motion Picture Interests and the Writer Agreements.

12. 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 in response to the Amended Sale Procedures Order or the Contracts Notices, either by additional submissions to this Court or through oral argument at any subsequent hearing concerning the Sale, the Amended Sale Procedures Order, or the Contracts Notices.

(Signatures to Follow)

Date: May 12, 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 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., <i>et al.</i>)	Case No. 25-10475 (TMH)
Debtors.)	(Jointly Administered)

CERTIFICATE OF SERVICE

I hereby certify that on May 12, 2025 a true and correct copy of the foregoing *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 Sale Of Debtors' Assets* 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@mofo.com
mrussell@mofo.com

Christopher Samis
Potter Anderson & Corroon LLP
Hercules Plaza
1313 North Market Street
6th 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

Dennis C. O'Donnell DLA Piper LLP
121 Avenue of the Americas
New York, New York, 10020
dennis.odonnell@dlapiper.com

Joel Simwinga
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
jmsimwinga@wlrk.com

Robert Feinstein
Bradford Sandler
Pachulski Stang Ziehl & Jones LLP
780 Third Avenue 34th Floor
New York, NY 10017
rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

Steve Warren
O'Melveny & Myers LLP
400 South Hope Street, Suite 1900
Los Angeles, CA 90071
swarren@omm.com

Curtis S. Miller
Morris, Nichols, Arsht & Tunnell LLP
1201 N. Market Street, 16th Floor
Wilmington, DE 19801
cmiller@morrisnichols.com

Kimberly A. Brown
George A. Williams III
LANDIS RATH & COBB LLP
919 Market Street, Suite 1800
Wilmington, Delaware 19801
brown@lrclaw.com
williams@lrclaw.com

Vadim J. Rubinstein
Noah Weingarten
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
vrubinstein@loeb.com
nweingarten@loeb.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: May 12, 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