IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

In re: **PANTHERA ENTERPRISES, LLC,** **Debtor**	**BK No. 2:19-bk-00787** **Chapter 11**
WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY, **Movant** **v.** **PANTHERA ENTERPRISES, LLC,** **Respondent**	

STIPULATED FACTS

1. The Debtor Panthera Enterprises, LLC ("Debtor") is a limited liability company formed in 2011 under the laws of the State of Delaware. It was originally named TenX Group LLC. It changed its name to Panthera Enterprises LLC in December, 2016.

2. James V. Punelli ("Punelli") and Raymond C. Jones ("Jones") each hold a 50% interest in the Debtor.

3. Panthera Training Center, LLC ("PTC") is a subsidiary of the Debtor, owned 80% by the Debtor and 20% owned by David Dolan. PTC is a limited liability company formed in 2013 under the laws of the State of Delaware.

4. Panthera Worldwide LLC ("Worldwide") is a subsidiary of the Debtor, 100% owned by the Debtor. Worldwide is a limited liability company formed in 2011 under the laws of

the State of Delaware. It was originally named Panthera Solutions LLC. It changed its name to Panthera Worldwide LLC in November, 2016.

5. The Debtor has no subsidiaries other than PTC and Worldwide.

6. Punelli and Jones are officers and managers of the Debtor and its two subsidiaries, PTC and Worldwide.

7. The Debtor owns approximately 750 acres in Moorefield District, Hardy County, West Virginia, with an address of 2506 Fish Pond Road, Old Fields, West Virginia ("Real Property").

8. The Real Property is the site of a security operations training facility ("Facility"). It offers tactical training for personnel involved in military and non-military protective services, including government, military and law enforcement personnel. The Facility includes tactical driving tracks, a vehicle obstacle course, shooting ranges, a live fire shoot house, a mobile operations urban training combat town, an FAA approved helicopter landing pad, an armory and explosives vault, multiple classrooms, on-site dining facilities and off-site lodging.

9. The Debtor subcontracts with another company to operate the Facility and provide training at the Facility location.

10. In 2013, the Debtor leased the Real Property to PTC for a fifteen (15) year term, pursuant to the terms of a Commercial Lease. PTC was to pay the Debtor monthly rent of $38,000.

11. Prior to June 2018, the Debtor's subsidiary, PTC, operated the Facility and conducted training at the Facility.

12. Effective June 1, 2018, the Debtor entered into a Subcontract Agreement with Panthera Training LLC to operate the Facility and conduct training at the site, replacing PTC ("2018 Subcontract"). Pursuant to the 2018 Subcontract Agreement, Panthera Training agreed to

perform the services, i.e., specialized tactical training, that the Debtor and its subsidiaries had contracted to provide at the Facility. The 2018 Subcontract has an initial term of June 1, 2018 to May 31, 2023, with two options to extend the 2018 Subcontract through May 31, 2026.

13. Panthera Training LLC ("Panthera Training") is not affiliated with the Debtor. It is a wholly owned subsidiary of Historic Arms Corporation, a company owned by Robert L. Starer and his wife.

14. Panthera Training entered into two other agreements with the Debtor effective June 1, 2018: (i) a Commercial Lease Agreement, dated June 1, 2018, pursuant to which Panthera Training leased the Debtor's Real Property ("2018 Commercial Lease"); and (ii) an Agreement of assignment, dated June 1, 2018 ("2018 Assignment").

15. The term of the 2018 Commercial Lease extends through December 31, 2030. It requires monthly base rent payments of $52,000, plus "Additional Rent", calculated per the terms of the Commercial Lease. The monthly base rent payment of $52,000 is paid directly to the West Virginia Economic Development Authority ("WVEDA") to be applied to the indebtedness owed the WVEDA by the Debtor.

16. The Debtor currently has one contract, with a United States federal government agency, to provide specialized training at the Facility. PTC currently has two contracts with a branch of the military to provide specialized training at the Facility. As of the Petition Date, Panthera Training was conducting the specialized training that was to be provided under these three contracts by the Debtor and PTC respectively pursuant to a subcontract by and between Panthera Training and the Debtor, Panthera Training Center LLC and Panthera Worldwide LLC.

17. The Debtor's subsidiary, Worldwide, has a single contract with a government agency that is inactive, with no open task orders.

18. The Debtor has no employees. Neither does PTC nor Worldwide have any employees.

19. The Debtor conveyed personal property to SMI, LLC, on June 15, 2018.

20. On August 21, 2013, the WVEDA made a fifteen (15) year term loan to the Debtor in the original principal amount of $5,000,000 ("2013 Loan"). The 2013 Loan financed a portion of the Debtor's cost to acquire 689.40 acres in Moorefield District, Hardy County, West Virginia.

21. The 2013 Loan is evidenced by a Promissory Note, pursuant to which the Debtor was to make equal monthly payments of $37,849.50, beginning September 21, 2013, with a final payment of all unpaid principal and accrued and unpaid interest due on August 21, 2028.

22. The 2013 Loan is secured by a Credit Line Deed of Trust and Fixture Filing, granting WVEDA a first lien on the 689.40 acre tract acquired by the Debtor. The 2013 Loan is also secured by a Collateral Assignment of Leases and Rents.

23. WVEDA made a second loan to the Debtor on July 2, 2014, in the original principal amount of $1,871,505.00. This loan financed the acquisition of an additional 58.09 acre tract, adjacent to the 689.40 acre tract. Together, the 689.40 acre tract and the 58.09 acre tract are referred to as the "Real Property." Proceeds of the 2014 Loan were also used to construct improvements and renovations on the Real Property.

24. The 2014 Loan is evidenced by a Promissory Note, pursuant to which the Debtor was to make equal monthly payments of $13,734.66, for a term of fifteen (15) years, with a final installment of all unpaid principal and accrued and unpaid interest due on July 2, 2029.

25. The 2014 Loan is secured by a Credit Line Deed of Trust and Fixture Filing, granting WVEDA a subordinate lien on the 689.40 acre tract and a first lien on the 58.09 acre tract.

It is also secured by a Collateral Assignment of Leases and Rents, and is guaranteed by the Guarantors.

26. Payment of the 2013 Loan and 2014 Loan, which are together referred to as the "WVEDA Loans," are guaranteed by Punelli and Jones. Payment is also guaranteed by Global Matrix Corporation, a corporation solely owned by Jones, and by Pons Milvius LLC, a limited liability company whose sole member is Punelli.

27. WVEDA filed its secured claim in this bankruptcy case on October 23, 2019 for $6,477,180.47, which is Claim # 4.

28. WVEDA, the Debtor, PTC, and the Guarantors entered into a Forbearance Agreement, effective as of July 6, 2018.

29. Under the Forbearance Agreement, WVEDA agreed to forbear from exercising its rights under the Loan documents, including the Deeds of Trust, for a period of six (6) months. The terms of the Forbearance Agreement state that it matures January 6, 2019, at which time all amounts due and owing under the WVEDA Loan documents would be due and payable, together with attorneys' fees and costs. Per the terms of the Forbearance Agreement, the monthly rent payments to be paid by Panthera Training to the Debtor under the 2018 Commercial Lease would be paid directly to WVEDA, to be applied to the indebtedness due and owing on the WVEDA Loans.

30. The Debtor failed to pay the 2017 real property taxes due and owing on the Real Property.

31. In November of 2018, the 2017 tax liens for the delinquent taxes were auctioned by the Hardy County Sheriff and certified to the West Virginia State Auditor's Office for disposition. The redemption period expires April 1, 2020.

32. The Debtor and SMI, LLC entered into that certain Timber Agreement, dated March 26, 2018.

33. The Debtor did not pay the indebtedness due under the WVEDA Loans upon maturity of the Forbearance Agreement on January 6, 2019.

34. Thereafter, WVEDA commenced foreclosure, with a foreclosure sale scheduled for September 16, 2019.

35. The Debtor filed its voluntary petition in bankruptcy on September 13, 2019.