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**
PANTHERA TRAINING, LLC, WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY, and ACTING UNITED STATES TRUSTEE, **Movants** **v.** **PANTHERA ENTERPRISES, LLC,** **Respondent**	

STIPULATED FACTS

Panthera Enterprises, LLC, Panthera Training, LLC, West Virginia Economic Development Authority, and the Acting United States Trustee, John P. Fitzgerald, III, by their respective counsel, submit the following Stipulated Facts for purposes of the hearing scheduled for Friday, July 17, 2020, on the U.S. Trustee's Motion to Dismiss and the Joint Motion of Panthera Training, LLC and West Virginia Economic Development Authority to convert this bankruptcy case to a Chapter 7 proceeding:

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 the sole 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 does not operate the Facility, nor does it provide any of the specialized training that is conducted at the Facility.

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

11. Prior to June 2018, the Debtor's subsidiary, PTC, operated the Facility and conducted training at the Facility. PTC has not conducted training at the facility since June 2018.

12. On December 12, 2018, the Debtor, PTC, Worldwide, and Panthera Training executed a Subcontract Agreement, which was effective June 1, 2018, pursuant to which Panthera Training LLC would operate the Facility and conduct training at the site, replacing PTC ("Subcontract"). Pursuant to the Subcontract Agreement, Panthera Training agreed to perform the services, i.e., specialized tactical training, that the Debtor and its subsidiary had contracted to provide at the Facility. The Subcontract has an initial term of June 1, 2018 to May 31, 2023, with two options to extend the 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. Effective June 1, 2018, Panthera Training also entered into a Commercial Lease Agreement with the Debtor, pursuant to which Panthera Training leased the Debtor's Real Property ("Commercial Lease"), and executed an Agreement of Assignment, dated June 1, 2018.

15. The initial term of the Commercial Lease extends through December 31, 2030, with the option to extend three (3) additional ten (10) year terms thereafter. 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. Since the Petition Date, the WVEDA has been paid $52,000 every month through and including July, 2020

16. The Debtor currently has one contract to provide specialized training, which is with the Drug Enforcement Administration ("DEA"). PTC currently has two contracts to provide specialized training, which are referred to as the "1st CIG" and "SOCOM" contracts.

17. Panthera Training has continued to conduct training for the Debtor and PTC, respectively, under the DEA, 1st CIG and SOCOM contracts.

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

19. Punelli and Jones receive no compensation directly from the Debtor.

20. The West Virginia Economic Development Authority is the Debtor's largest creditor, with an asserted claim of $6,477,180.47, based upon two loans made to the Debtor prepetition. WVEDA's claim is secured by a lien against the Real Property.

21. Punelli Partners Limited Company is a Virginia limited liability company, whose sole member is Mr. Punelli.

22. Prepetition, the Debtor entered into a Timber Agreement dated March 26, 2018 with SMI, LLC ("SMI") related to the “merchantable timber standing or fallen" on the Real Property.

23. Prepetition, the Debtor conveyed certain of its personal property to SMI, pursuant to a Bill of Sale dated June 15, 2018.

24. The Debtor filed its voluntary petition in bankruptcy on September 13, 2019, which resulted in a stay of a foreclosure sale scheduled by the WVEDA for September 16, 2019.

25. Since September 1, 2019, Mr. Punelli has been the only person issuing task orders to Panthera Training for training to be conducted under the Debtor's DEA contract and under PTC's 1st CIG and SOCOM contracts.

26. Each time training is conducted by Panthera Training, an invoice is generated for the particular training session and submitted to Mr. Punelli, as the representative for the Debtor or PTC, respectively.

27. Since September 1, 2019, Mr. Punelli has been the only person initiating disbursements from the Debtor's bank account(s), including payment of invoices owed to Panthera Training for training conducted under the Debtor's DEA contract.

28. Since September 1, 2019, Mr. Punelli has been the only person initiating disbursements from PTC's bank account(s), including payment of invoices owed to Panthera Training for training conducted under PTC's 1st CIG and SOCOM contracts.

29. Since September 1, 2019, Mr. Punelli has been the only person making entries in, and otherwise managing, the financial books and records of the Debtor.

30. Since September 1, 2019, Mr. Punelli has been the only person making entries in, and otherwise managing, the financial books and records of PTC.

31. Since October 1, 2019, Mr. Punelli has been the only person who has requested the Debtor's bank to initiate wire transfers from the Debtor's bank account(s).

32. Since October 1, 2019, Mr. Punelli is the only person who has requested PTC's bank to initiate wire transfers from PTC's bank account(s).

33. Mr. Punelli currently primarily conducts the business operations of the Debtor out of his home.

34. On October 3, 2019, Mr. Punelli opened a new bank account in the name of Panthera Training Center, LLC with Atlantic Union Bank ("PTC AUBank Account").

35. On October 21, 2019, Mr. Punelli initiated a wire transfer of $134,160 from the Debtor's bank account to the PTC AUBank Account. The balance in the PTC AUBank Account immediately prior to the funds being transferred from the Debtor's bank account was $7,056.30.

36. On October 21, 2019, Mr. Punelli initiated a wire transfer of $8,100 from the PTC AUBank Account to Worldwide.

37. On October 30, 2019 and December 16, 2019, Mr. Punelli initiated a wire transfer of $2,000 each time from the PTC AUBank Account to Raymond Jones.

38. Between November 8, 2019 and March 2, 2020, Mr. Punelli initiated the following wire transfers from the PTC AUBank Account to James Punelli:

November 8, 2019	$ 589.33
November 8, 2019	800.00
December 2, 2019	800.00
December 16, 2019	589.33
January 2, 2020	800.00
January 15, 2020	589.33
February 3, 2020	800.00
March 2, 2020	800.00

39. Between November 1, 2019 and March 2, 2020, Mr. Punelli initiated the following wire transfers from the PTC AUBank Account to Punelli Partners Limited Company:

November 1, 2019	$ 12,500.00
December 2, 2019	6,000.00
December 16, 2019	3,000.00
December 23, 2019	2,000.00
January 2, 2020	8,000.00
January 14, 2020	2,000.00
January 28, 2020	4,000.00
January 29, 2020	966.77
January 30, 2020	1,200.00
February 3, 2020	12,500.00

February 12, 2020	20,000.00
February 24, 2020	8,626.65
March 2, 2020	10,000.00

40. The $134,160 that was transferred from the Debtor's account to the PTC AUBank Account was replaced in the Debtor's account between December 6, 2019 and February 18, 2020.

41. PTC satisfied invoices issued by Panthera Training for 1st CIG and SOCOM contract trainings from payments made by the Debtor, not PTC, but the Debtor reported the payments as payment for the September 2019 training conducted under the Debtor's DEA contract.

42. The Debtor secured Liability Insurance and Commercial Property Insurance for the term of October 31, 2018 through October 31, 2019, which lapsed at the end of the term. The Commercial Property Insurance coverage was in the amount of $6,224,500.

43. The Debtor secured Property Insurance for the term of April 17, 2020 through April 17, 2021, with total coverage in the amount of $2,149,000.

Dated: July 15, 2020

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