

1 BRIAN L. DAVIDOFF (SBN 102654)
BDavidoff@GreenbergGlusker.com
2 JEFFREY A. KRIEGER (SBN 156535)
JKrieger@GreenbergGlusker.com
3 C. JOHN M. MELISSINOS (SBN 149224)
JMelissinos@GreenbergGlusker.com
4 GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
5 1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590
6 Telephone: 310.553.3610
Fax: 310.553.0687

7
8 Proposed General Bankruptcy Attorneys for
Debtor and Debtor in Possession

9
10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 LOS ANGELES DIVISION

13 In re:
14 RHYTHM AND HUES, INC.,
15 Debtor and Debtor in Possession.

Case No. 2:13-bk-13775-NB

Chapter 11

**EMERGENCY MOTION FOR INTERIM
AND FINAL ORDERS APPROVING
POST-PETITION FINANCING
AGREEMENT WITH UNIVERSAL CITY
STUDIOS LLC AND TWENTIETH
CENTURY FOX; MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

*[Declarations of John Hughes and John F.
Hedge in support of First Day Motions filed
concurrently herewith]*

Emergency Hearing

Date: TBD

Time: TBD

Ctrm: 1545

255 E. Temple Street
Los Angeles, CA 90012

26 ///

27 ///

28 ///

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1 **TO THE HONORABLE NEIL W. BASON, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE UNITED STATES TRUSTEE, ALL PARTIES IN INTEREST HEREIN,**
3 **AND THEIR RESPECTIVE COUNSEL:**

4 **PLEASE TAKE NOTICE** that Debtor and Debtor in Possession Rhythm And Hues, Inc.
5 (“R&H”, the “Company” or the “Debtor”) hereby submits this Motion (the “Motion”), on an
6 emergency basis, for entry of interim and final orders (i) authorizing the Debtor to obtain post-
7 petition financing on a secured basis in the amount of up to \$17,086,000 (the “DIP Loan”)
8 pursuant to 11 U.S.C. §§105, 361, 362, 363 and 364, and (ii) scheduling a final hearing on the
9 Debtor’s Motion to incur such financing on a permanent basis pursuant to Rules 4001(b) and (c)
10 of the Federal Rules of Bankruptcy Procedure. The DIP Loan will be provided by Universal City
11 Studios LLC (“Universal”) and Twentieth Century Fox, a division of Twentieth Century Fox
12 Film Corporation (“Fox” and, together with Universal, herein the “DIP Lenders”), two of the
13 Debtor’s most significant customers. The DIP Lenders, through Fox, as administrative and
14 collateral agent for the DIP Lenders, will receive security interests in substantially all the assets of
15 the Debtors (except in the property of a Dormant Non Lender Project, as defined in the DIP Loan
16 Agreement), as well as other protections, all as set forth in the Senior Secured Super-Priority
17 Debtor In Possession Loan Agreement (the “DIP Loan Agreement”) and related documents
18 evidencing the proposed DIP Loan, copies of which are attached hereto as Exhibit “A”.

19 **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 2081-
20 1(a)(9), this Motion may be heard pursuant to Local Bankruptcy Rule 9075-1 as an emergency
21 motion.

22 **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 9075-1
23 any response, written or oral, to the moving papers may be presented before or at the time of the
24 hearing on the Motion.

25 As set forth in the annexed Memorandum of Points and Authorities, there are good and
26 sufficient grounds for granting this Motion and for approving the DIP Loan. Without the DIP
27 Loan, the Debtor will be unable to operate and will have to liquidate immediately. While a
28 principal purpose of the DIP Loan is to allow the Debtor to finish existing projects for Universal

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1 and Fox, the proceeds of the DIP Loan will also allow the Debtor to remain in business for
2 approximately the next 75 days and, potentially for additional time as new work is bid and
3 secured. This period will also allow R&H to continue to market the business to third party buyers
4 with the potential goal of entering into a sale or other financing transaction, allowing R&H to exit
5 its chapter 11 case as a healthier company.

6 The DIP Loan is being offered by the DIP Lenders on favorable terms, all of which were
7 negotiated at arms-length by R&H and the DIP Lenders. Significantly, the DIP Loan, an interest
8 only loan at an interest rate of 6% per annum, will not mature until December 31, 2015, almost
9 three years from today. This extended repayment period will greatly assist the Debtor in its
10 restructuring efforts. Thus, even if there is no immediate sale opportunity, R&H may be able to
11 emerge promptly from Bankruptcy Court protection with additional third party financing.

12 On January 18, 2013, in order to keep R&H in business so that it could complete existing
13 projects for Universal and Fox, the DIP Lenders advanced \$750,000 to the Debtor on an
14 unsecured basis which was used to meet the shortfall in its Canadian subsidiary's payroll
15 obligations through January 15, 2013 (the "January 18 Loan"). On January 25, 2013, the DIP
16 Lenders advanced an additional \$5,250,000 on an unsecured basis (the "January 25 Bridge
17 Advance" and together with the January 18 Loan, the "Pre-petition Loan"). The Pre-petition
18 Loan allowed the Debtor to meet its then immediate obligations, including payroll through
19 January 15, 2013, and to remain in business through the anticipated closing date of a sale to a
20 third party buyer, who had guaranteed repayment of the January 25 Bridge Advance. However,
21 that sale transaction failed to close on February 7, 2013. The Debtor is unable to obtain further
22 credit on an unsecured basis.

23 As a result, the proceeds of the DIP Loan are now urgently needed to pay the Debtor's
24 operational expenses incurred since January 15, 2013, the most significant of which is payroll,
25 and to pay all necessary operational expenses through April 26, 2013. Such payment will allow
26 the Debtor to maintain the continuity of the Debtor's ongoing operations, which are, in turn,
27 essential to its reorganization efforts. In addition, the provision of the DIP Loan will allow
28 Debtor time to restructure its operations and to pursue its strategic alternatives, including locating

1 new financing or a purchaser of some or all of its assets. It will also ensure that potential claims
2 against the estate are reduced as existing projects are completed and delivered.

3 Accordingly, the Debtor requests that this Motion be heard on an emergency basis. In
4 support of this Motion, the Debtor relies upon the concurrently filed Declarations of John Hughes
5 and John F. Hedge in Support of First Day Motions, the record in the case, including all pleadings
6 and documents filed on behalf of the Debtor, the arguments and representations of counsel, and
7 any oral or documentary evidence presented at or prior to the time of the hearing on this Motion.
8

Provision	
Cross-collateralization clauses	None
Provisions or findings of fact that bind the estate or all parties in interest with respect to the validity, perfection or amount of the secured party's pre-petition lien or debt or the waiver of claims against the secured creditor.	None
Provisions or findings of fact that bind the estate or all parties in interest with respect to the relative priorities of the secured party's pre-petition lien.	None
Provisions that operate, as a practical matter, to divest the Debtor of any discretion in the formulation of a plan or administration of the estate or to limit access to the court to seek any relief under other applicable provision of law.	<i>The DIP Loan Agreement provides the Lenders with consent rights as to the identity of any buyer, such consent not to be unreasonably withheld.</i>
Waivers of 11 U.S.C. § 506(c), unless the waiver is effective only during the period in which the Debtor is authorized to use cash collateral or borrow funds.	<i>The DIP Loan Agreement provides that the Debtor waives its rights under 506(c).</i>
Releases of liability for the creditor's alleged prepetition torts or breaches of Contract.	None
Waivers of avoidance actions arising under the Bankruptcy Code.	None
Provisions that deem prepetition secured debt to be post-petition debt or that use post-petition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt	None
Provides disparate treatment for the professionals retained by a creditor's committee from that provided for the professionals retained by the debtor with respect to a professional fee carve out.	<i>The DIP Order provides \$50,000 in the Carve Out for professionals retained by an official committee of unsecured creditors</i>
Provisions that prime any secured lien	<i>The DIP Loan Agreement provides that the liens of the DIP Lenders shall prime all existing liens other than Permitted Liens.</i>

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<i>However, the Debtor is unaware of any liens other than Permitted Liens.</i>
Automatic relief from the automatic stay upon default, conversion to chapter 7, or appointment of a trustee.	<i>The DIP Loan Agreement provides that the DIP Lenders may exercise all rights and remedies without further order or application to the Bankruptcy Court. [However, the Debtor shall have 5 days prior to such exercising of remedies to seek a stay from the Bankruptcy Court].</i>
Waivers of procedural requirements, including those for foreclosure mandated under applicable non-bankruptcy law, and for perfection of replacement liens.	None
Adequate protection provisions which create liens on claims for relief arising under 11 U.S.C. §§ 506(c), 544, 545, 547, 548 and 549.	<i>The DIP Loan Agreement provides that the Borrower waives rights under 506(c). However, the DIP Lenders are not obtaining liens on avoidance actions.</i>
Waivers, effective on default or expiration, of the Debtor's right to move for a court order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing the use of cash collateral in the absence of the secured party's consent.	None

WHEREFORE, the Debtor respectfully requests that the Court: (a) enter interim and final orders authorizing the Debtor pursuant to 11 U.S.C. § 364(d) to (i) obtain post-petition financing pursuant to the terms of the Motion, in the maximum aggregate amount of \$17,086,000 (including \$11 million on an interim basis); (ii) enter into the DIP Loan Agreement attached to the Motion as Exhibit "A"; and (iii) pursuant to the DIP Loan Agreement, grant first priority security interests in the Collateral to the DIP Lenders subject only to existing Permitted Liens in the Collateral (as such terms are defined in the DIP Loan Agreement) and, to the extent required by the Court, incorporate the Court's standard provisions for financing orders; (b) set a final hearing on the Motion; and (c) grant such other and further relief as is necessary and appropriate.

DATED: February 13, 2013

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**

By: /s/ Jeffrey A. Krieger
BRIAN L. DAVIDOFF
JEFFREY A. KRIEGER
Proposed General Bankruptcy Attorneys for
Debtor and Debtor in Possession

TABLE OF CONTENTS

	Page
1	
2	
3	I. JURISDICTION AND VENUE 1
4	II. BACKGROUND FACTS 1
5	A. The Debtor’s Business 1
6	B. Events Leading Up to Chapter 11 Filing 8
7	C. The Commencement of the Bankruptcy Case..... 8
8	III. THE PROPOSED POST-PETITION FINANCING 9
9	A. The Terms of the DIP Loan 9
10	B. The Unavailability of Additional Unsecured Financing 11
11	IV. THE DIP LOAN SHOULD BE APPROVED 12
12	A. The Legal Standard 12
13	B. The Terms of the DIP Loan Are Reasonable and Should Be Approved 14
14	V. COMPLIANCE WITH FED. R. BANKR. P. 4001(C)(1)(B) AND LBR 4001-2(B) 15
15	VI. CONCLUSION 16
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

DEADLINE.COM

TABLE OF AUTHORITIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page

FEDERAL CASES

In re Ames Dep't Stores, Inc.,
115 B.R. 34 (Bankr. S.D.N.Y. 1990) 13

In re Crouse Group, Inc.,
71 B.R. 544 (Banks. E.D. Pa. 1987) 13

In re Exide Technologies.,
340 B.R. 222 (Bankr. D. Del. 2006) 14

In re General Growth Properties, Inc.,
412 B.R. 122 (Bankr. S.D.N.Y. 2009)..... 13

In re Simasko Prod. Co.,
47 B.R. 444 (Bankr. D. Colo. 1985) 14

In re YL West 87th Holdings I LLC,
423 BR 421 (Bankr. S.D.N.Y. January 13, 2010)..... 12, 13

Trans World Airlines, Inc. v. Travelers Int'l AG (In re Trans World Airlines, Inc.),
163 B.R. 964 (Bankr. D. Del. 1994) 13

STATUTES

11 U.S.C. § 105(a) 1

11 U.S.C. § 361 1

11 U.S.C. § 362 1

11 U.S.C. § 363(b) 1

11 U.S.C. § 363(c)(2)(B)..... 16

11 U.S.C. § 364 1, 12, 13

11 U.S.C. § 364(a) 12

11 U.S.C. § 364(b) 12

11 U.S.C. § 364(c) 12, 13

11 U.S.C. § 364(e)(2)..... 13

11 U.S.C. § 506(c) 15, 16

11 U.S.C. § 544 16

11 U.S.C. § 545 16

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES
(CONTINUED)

Page

STATUTES

11 U.S.C. § 547	16
11 U.S.C. § 548	16
11 U.S.C. § 549	16
28 U.S.C. § 157	1
28 U.S.C. § 157(b)(2)	1
28 U.S.C. § 1334	1
28 U.S.C. § 1408	1
28 U.S.C. § 1409	1
28 U.S.C. § 1930	14

OTHER AUTHORITIES

Rule 4001(b)(1)(B) of Federal Rules of Bankruptcy Procedure	15
Rule 4001(c)(1)(B) of Federal Rules of Bankruptcy Procedure	15
Rule 4001-2(b) and (d) of the Local Bankruptcy Rules	15

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

DEADLINE.COM

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. JURISDICTION AND VENUE**

3 The Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334. This
4 is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of the case is proper pursuant
5 to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are
6 sections 105(a), 361, 362, 363(b) and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101
7 *et seq.* (the “Bankruptcy Code”).

8 **II. BACKGROUND FACTS**

9 The Background Facts are based on the Declaration of John Hughes in Support of First Day
10 Motions (“Hughes Decl.”) and the Omnibus Declaration of John F. Hedge in Support of First Day
11 Motions (“Hedge Decl.”) filed concurrently herewith.

12 **A. The Debtor’s Business**

13 Rhythm And Hues, Inc. (the “Company”, the “Debtor” or “R&H”) is one of the world’s
14 leading producers of visual effects (“VFX”) and computer-generated (“CG”) animation for the
15 entertainment industry. Since its beginning in 1987, the Company has provided top-quality VFX
16 and CG animation services for some of Hollywood’s highest-grossing feature films. As the
17 largest VFX and CG animation studio in Los Angeles (and among the top eight globally), R&H
18 has contributed to more than 150 feature films and has received numerous industry awards and
19 accolades for its work, including Academy Awards (Best Visual Effects) for *Babe* and *The*
20 *Golden Compass*, an Academy Award nomination for *The Chronicles of Narnia*, and Technical
21 Achievement Academy Awards in 1994, 1998, 2008 and 2010. With its 25-year history of
22 industry excellence, R&H is one of the top providers in the \$2.2 billion VFX and CG animation
23 industry, an industry that has continued to grow in the recent past.

24 R&H maintains long-standing relationships with all of the major Hollywood studios and
25 provides these studios with a highly resourceful and creative production team, offering a wide
26 range of VFX and CG animation services. In addition to films, the Company is also one of the
27 leaders in the production of commercial advertising and for cinematic game design and special
28

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1 venue and theme park films. It has created filmed attractions for several of Disney's and
2 Universal's theme parks around the world, as well as filmed attractions installed in Las Vegas.

3 **1. Provision of Services & Competitive Edge**

4 R&H is headquartered in El Segundo, California, where its 135,000 square foot facility is
5 located. Until shortly prior to the Petition Date, R&H employed more than 700 permanent and
6 temporary employees. Now the Company employs approximately 460 employees. In addition to
7 the El Segundo location, the Company carries out its services in three wholly-owned subsidiaries
8 outside of the United States in Canada, India and Taiwan, as well as a sister company located in
9 Malaysia, with collectively over 600 employees abroad.

10 R&H is frequently sought after to support the development of many of Hollywood's
11 highest profile feature films. R&H's three largest customers, Warner Brothers ("WB"), 20th
12 Century Fox ("Fox"), and Universal Studios ("Universal"), represent approximately 97% of the
13 Company's gross revenues over the past three years. R&H is one of the top two providers of
14 VFX services for Fox and Universal, and it was a preferred provider of VFX services for WB. In
15 addition, the Company has begun cultivating relationships with "mini major" studios like
16 Legendary Pictures ("Legendary") and Summit Entertainment ("Summit").

17 The top quality of work that the Company provides for movie studios is well known in the
18 industry. Among R&H's recent work, the VFX and CG animation in Yaan Martel's *Life of Pi*,
19 directed by Ang Lee, won widespread acclaim from critics and reviewers as well as an Academy
20 Award nomination for Best Visual Effects in a Motion Picture. R&H's work on the Bengal tiger,
21 central to the second half of the film, redefined and elevated the bar on photo-real animation and
22 reaffirmed the Company's standing as one of the top VFX and CG animation studios in the world.
23 R&H also supplied water simulations for most shots along with sky and cloud backgrounds.
24 R&H also was the lead visual effects supplier for *Snow White and the Huntsman*, also nominated
25 for an Academy Award for Best Visual Effects.

26 In addition to films, the Company is also engaged in the production of commercial
27 advertising and cinematics for game design and special venue and theme park films. R&H is
28 currently in advanced discussions to create several theme park attractions for a theme park in

1 China. Other types of business opportunities for the Company include cloud computing. In
2 2011, R&H entered into a collaborative venture with Taiwan-based Chunghwa Telecom. The
3 collaboration is named CAVE, which stands for Cloud Animation and Visual Effects. CAVE is a
4 commercial venture to provide computer intensive industries with cost effective solutions for
5 processor time and disk storage. The product of this effort will both lower the cost of technology
6 and provide an additional revenue stream to R&H.

7 **2. Feature Film Investments**

8 The Company has historically been active in the early stages of feature film production,
9 both in the planning and choreographing phases as well as, more recently, through co-investing
10 and co-producing blockbuster hits such as *Yogi Bear 3D* and *Hop*.

11 In 2010, R&H co-produced its first feature film, *Yogi Bear 3D* (with WB), which achieved
12 a worldwide box office of over \$200 million. R&H financed part of the cost of the film, and also
13 did most of the CG computer animation and VFX work on the film. In the same year, R&H also
14 invested in *Hop* (Universal) and did most of the CG animation and VFX for the film. *Hop*
15 achieved a worldwide box office of more than \$180 million. In 2012 R&H invested in
16 Legendary's *Seventh Son*, which has yet to be released.

17 Investing in the feature projects of R&H's clients is advantageous in two respects. First,
18 the Company is much more likely to be awarded the contract for the CG and VFX work if it
19 invests in the project, and second, many of the films that R&H works on are successful in the
20 commercial marketplace and are thus likely to provide a good return on the Company's
21 investment.

22 **3. Intellectual Property**

23 The nature of R&H's work requires the Company to constantly pioneer new technologies,
24 and to push existing technologies to their limits, so as to continue eliciting the "wow" response
25 from both movie-goers and industry insiders. In support of this goal, the Company has developed
26 its own proprietary animation, lighting, simulation, rendering and compositing software. The
27 following provides brief descriptions of some of the major technologies developed by R&H over
28 the years.

- 1 • *Distributed Production System*: proprietary system for managing all of the
2 Company’s digital assets created by R&H artists globally.
- 3 • *Queue*: the Company’s management technology used to manage the millions of hours
4 of computation that is necessary to create the photo-realistic imagery that the
5 Company generates.
- 6 • *DDR System/Eve*: the Company’s multi resolution playback system used to conduct
7 all digital reviews.
- 8 • *Jobtracker*: R&H’s distributed global production tracking system.
- 9 • *PTSFS*: a database-driven virtual file system used to define the Company’s global
10 namespace.

11 4. *Global Expansion & International Operations*

12 R&H and its affiliates and subsidiaries have six world-wide locations, with the majority of
13 the personnel located at its El Segundo headquarters. It also has two facilities in India – one each
14 in Mumbai and Hyderabad – another in Kuala Lumpur, Malaysia, which it uses on a contract
15 basis, another in Vancouver, Canada, and its latest facility which was opened last year in
16 Kaohsiung, Taiwan. All of these international facilities are integrated into the Company’s
17 worldwide production pipeline and allow for consistent standards of quality and training and
18 cross-border collaboration for all post-production projects. The India, Canada and Taiwan
19 facilities are all owned by separate foreign entities, each of which is in turn 100% owned and
20 controlled by R&H. The Malaysia entity is owned by a sister company, not directly owned by the
21 Company, but instead by the same shareholders which own the equity of R&H. (All of these
22 entities are referred to as the “Foreign Affiliates” or “Non-Debtor Affiliates”.)

23 Because of the lower wage levels paid by the Foreign Affiliates and various local
24 governmental tax incentives, using their services is very cost-effective for the Company. As long
25 as the Foreign Affiliates can continue to operate for and with the support of the Company, there
26 are no plans to close any of them.

27 5. *Ownership Structure & Management*

28 R&H is a privately-held California corporation with three shareholders, John Hughes,
Keith Goldfarb and Pauline Ts’o. The Company’s board of directors consists of Mr. Hughes, Ms.

1 Ts'o and Prashant Buyyala. Mr. Hughes also serves as the Company's President and Chief
2 Financial Officer. The R&H management team is led by Mr. Hughes, one of the original
3 founders of the Company, Lee Berger, President of the Feature Film Division, Gautham
4 Krishnamurti, Chief Technology Officer, and Prashant Buyyala, Managing Director-International,
5 as well as a group of highly experienced senior executives.

6 **6. The Company's Financial Performance**

7 Over the three years (2009-2011), R&H has generated, on average, \$105.9 million in
8 annual revenue with an average EBITDA of approximately 6%. For the years 2006 to 2011 the
9 average revenue was approximately \$100m and the average EBITDA was approximately 9%. In
10 2012, R&H had revenue of approximately \$93.5 million.

11 R&H's EBITDA was \$6.4 million in 2009 and \$10.8 million in 2011, but the Company
12 had losses of \$2.6 million in 2010 and approximately \$22.5 million in 2012. R&H's ability to
13 maintain profitability is directly related to its gross revenues. The gross revenues for 2009 to
14 2011 were \$108.9 million, \$86.7 million and \$121.4 million, respectively. Revenue in 2012 was
15 only \$95.0 million, leading to the net loss of approximately \$22.5 million.

16 The Company's revenue, in turn, is highly correlated to feature production and release
17 schedules of the major Hollywood studios. As such, revenue generation can be, at times, difficult
18 to project. Also, with a high level of fixed overhead, significant fluctuations in feature film
19 production at Hollywood studios have a direct impact on the Company's profitability. The
20 decline in revenue in 2012 was partly due to a decrease in feature film work, driven
21 predominately by a slight decrease in film production at Fox and Universal (historically two of
22 R&H's largest customers).

23 R&H competes on a global stage for high-end visual effects and animation projects. R&H
24 competes primarily with companies in Canada, the U.K., Australia and New Zealand.

25 The Company established a facility in Vancouver, Canada in September of 2011. But as
26 projects award about a year before delivery, it was too late to take advantage of the subsidies on
27 most of our projects delivering in 2012 and 2013. This affected the Company's revenues. For
28 instance, if a project was a \$30 million project, if awarded in Canada the government would

1 subsidize about 33% of the project, or about \$10 million. If R&H wanted to compete for that
2 project, it had to agree to do the project for \$20 million. If the Company had established its
3 facility in Vancouver earlier, R&H could have had much higher revenues for the current projects.
4 This is an advantage of 20% to 33% or more depending on the location.

5 The strong U.S. dollar also hurts U.S. companies that compete internationally. Compared
6 to 2008, the dollar is about 20% stronger versus the pound. This is effectively an additional 20%
7 discount for U.K. based productions providing a strong incentive for the film producers to do
8 their work and provide jobs in the U.K. rather than in Los Angeles.

9 In the U.K. most visual effects and animation employees do not get paid overtime. At
10 R&H about 17% of our total production labor costs are overtime. The Company understands the
11 benefits to the employees of these overtime rules. These rules provide a significant cost
12 advantage to our U.K. competitors. Cumulatively these factors provide cost advantages in the
13 other English-speaking countries of from 35% to 60% relative to R&H's costs in Los Angeles.

14 Since opening the Vancouver office in September of 2011, it has now become widely
15 known that the Company has a facility in a government-subsidized location, and the Company
16 has been included in considerably more requests for bids as a result. Furthermore, because
17 R&H's Asian facilities are very efficient economically due to the lower labor costs, the Company
18 has been able to further lower costs and hence increase its profits as it increases the amount of
19 work it does in Asia. R&H is actively bidding on projects for 2013 and beyond. All of this will
20 enable it to emerge from Chapter 11 protections and continue in business as a reorganized entity.

21 7. *The Company's Balance Sheet.*

22 As of the year-end in 2012, the Company's assets based on its unaudited balance sheet,
23 totaled approximately \$27.2 million. Also of this amount, R&H had approximately \$4.1 million
24 in accounts receivable; \$2 million in investments in feature films (under participation agreements
25 with major Hollywood studios, the Company contributes equity to the production of certain
26 feature films; in exchange, the Company receives a percentage of defined proceeds); \$5.6 million
27 (net of depreciation) of fixed assets, with original cost of \$21.4 million; and \$14.6 million in
28 notes receivable from related parties.

1 As of the year end 2012, R&H's unaudited balance-sheet liabilities totaled approximately
2 \$33.8 million, virtually all of which were current liabilities. This amount includes about \$12.2
3 million in accrued expenses; \$19.4 million in billings in unearned revenues (as the Company's
4 cash balance reflects advance proceeds for work yet to be completed, the Company records the
5 unearned revenues to offset the cash balance); and \$1.2 million in accounts payable.

6 The Company's current obligations are of basically three types. First, R&H owes, or
7 potentially owes, amounts to WB, Universal, Fox and others on account of existing projects for
8 which R&H's cost to complete exceeds the remaining amounts due on the agreements which
9 R&H has with each of those studios. Universal and Fox have agreed to provide the DIP Facility
10 to R&H to allow for completion of the work on their projects. WB, on the other hand, has
11 demanded return of all materials related to its three projects. WB further asserts that R&H owes
12 it the combined amount of at least \$4.9 million on account of its projects.

13 Second, R&H owes approximately \$4,686,124 in accrued wages for the period from
14 January 16, 2013 to February 10, 2013 for those employees who will remain employed with the
15 Company post-petition. R&H owes approximately \$1,786,955 in accrued wages to its recently
16 terminated employees for that same period. The Company also owes approximately \$9,063,953
17 to its employees (both retained and terminated) on account of accrued "paid time off" and
18 "sabbatical" leave, when measured in their last or current salaries. Although R&H expects much
19 of the "paid time off" and "sabbatical" leave amounts to constitute general unsecured claims
20 against the Company, it remains the case that it is a large liability. Additionally, as of the Petition
21 Date, the Company has accrued and unpaid medical obligations under its self-insured medical
22 plan of approximately \$1.7 million.

23 Third, R&H owes its vendors more than \$1,415,000 which, while not an insignificant
24 amount, is not great in relation to its total creditor body or the size of its business. This amount,
25 however, does not include the pre-petition fees owed by R&H to its Foreign Affiliates for their
26 services provided under their service contracts with R&H.

27 ///

28 ///

1 **III. THE PROPOSED POST-PETITION FINANCING**

2 **A. The Terms of the DIP Loan**

3 The Debtor is unable to continue its business absent debtor in possession financing. The
4 Debtor's projected cash collections, excluding the DIP Loan proceeds, over the next 60 days
5 consist of only approximately \$5,617,000 based upon current projects. Hedge Decl. ¶ 11. These
6 projected cash receipts are insufficient to pay the Debtor's projected operating expenses. Even
7 with the reduced staff, the Debtor's projected cost of operations with only the Fox and Universal
8 projects is projected to be \$22,056,200 through April 26, 2013. See Initial Approved Budget
9 attached to the DIP Loan Agreement as Exhibit H. The DIP Loan Agreement is attached hereto
10 as Exhibit "A", and is authenticated in the Hedge Decl. at ¶ 11. Accordingly, the Debtor needs
11 debtor in possession financing if it is going to continue as a going concern even in the short
12 term, in order to maintain the opportunity of exiting bankruptcy either through an internal
13 restructuring plan or through a sale of the business. Hedge Decl. ¶ 11.

14 The proposed DIP Loan will be in the maximum amount of \$17,086,000 (the "DIP Loan
15 Amount"). It is anticipated that the DIP Loan will be advanced in four (4) installments as
16 follows: (1) \$6,000,000 to be advanced upon entry of an order approving the DIP Loan on an
17 interim basis; (2) \$5,000,000 to be advanced on February 19, 2013; (3) \$4,000,000 to be
18 advanced on March 18, 2013, but only after entry of an order approving the DIP Loan on a final
19 basis; and (4) \$1,586,000 to be advanced on April 8, 2013. In addition, there is a loan allowance
20 amount for the Lenders' counsel up to \$500,000. Hedge Decl. ¶ 13.

21 The DIP Loan will be secured by a first priority security interest on substantially all of the
22 Debtor's assets (the "Collateral"), subject to the Carve Out (as defined in the DIP Loan
23 Agreement), subject to Permitted Liens, as defined in the DIP Loan Agreement. The Collateral
24 does not include avoidance actions owned by the Debtor's bankruptcy estate. In addition, the DIP
25 Lenders will receive a superpriority administrative expense claim for any unpaid obligations
26 under the DIP Loan, again, subject to the Carve Out. The DIP Loan will bear interest at a fixed
27 rate of 6% per annum. The default interest rate will be 9% per annum. Interest payments on the
28 outstanding balance of the DIP Loan shall be due and payable to the DIP Lenders monthly in

1 arrears on the 15th day of each month beginning on March 15, 2013, and on the Maturity Date.
2 Hedge Decl. ¶ 14.

3 The Maturity Date under the DIP Loan will be the earlier of (i) December 31, 2015 and
4 (ii) the effective date of a plan of reorganization in this case. Hedge Decl. ¶ 15. However, the
5 DIP Lenders have also agreed that in connection with a confirmed plan of reorganization, the DIP
6 Lenders will enter into a new loan agreement on substantially the same terms as the DIP Loan,
7 thus providing the Debtors (or a third party buyer) with flexibility upon the Debtor's exit from
8 bankruptcy. The DIP Loan is being made pursuant to the Approved Budget (as defined in the
9 Loan Agreement) which runs through April 26, 2013. The initial Approved Budget is attached to
10 the DIP Loan Agreement as Exhibit H. On a weekly basis through the budget period, the Debtor
11 will deliver a revised budget to the DIP Lenders. If the revised budget reflects that the Debtor
12 requires less funds than was contemplated in the prior budget, the Debtor may borrow less than
13 the amount set forth above, but the DIP Loan Amount will not decrease. In accordance with the
14 Approved Budget, the proceeds of the DIP Loan are to be used for both the direct costs of
15 projects for Universal and Fox, and all indirect costs such as general overhead. In addition, to the
16 extent that the Debtor undertakes to complete a project for a studio other than Universal or Fox,
17 the amount of the overhead cost allocated to the DIP Lenders would be reduced accordingly, with
18 the difference being picked up by the Non-Lender studio. See DIP Loan Agreement § 7.17.

19 Included in the operating costs are amounts owing to Foreign Affiliates each of which
20 performs critical components of each project. See the line items in the Approved Budget for each
21 of "Vancouver, India, Malaysia, and Taiwan Rendering" in the amounts of \$3,286,677,
22 \$1,672,000, \$700,000 and \$160,000, respectively. Hedge Decl. ¶ 18. The Debtor has with each
23 of the foreign Affiliates a Memorandum of Understanding ("MOU") pursuant to which each of
24 these Foreign Affiliates performs work critical to the services provided by the Debtor. Hughes
25 Decl. ¶ 72. Concurrently herewith, the Debtor has filed an Emergency Motion to assume these
26 MOUs, as modified, with each of the Foreign Affiliates (the "Assumption Motion"). Approval of
27 that motion is critical to the ongoing operations of the Debtor and the funding under each of those
28 contracts is provided for in the Approved Budget. Without the continuing work provided by the

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1 Foreign Affiliates, the DIP Lenders would not be willing to fund the DIP Loan because the work
2 on the required projects would not be completed¹. Hughes Decl. ¶ 77.

3 **B. The Unavailability of Additional Unsecured Financing**

4 Prior to the commencement of its bankruptcy case, R&H was able to obtain unsecured
5 financing from the DIP Lenders on January 18, 2013 and January 25, 2013, in order to meet its
6 payroll and other immediate obligations. However, this unsecured financing was only made
7 available by the DIP Lenders in contemplation of a possible and immediate sale of the business to
8 a third party buyer, together with a guaranty of such financing executed by the proposed third
9 party buyer. However, after the unsecured loans were made, the potential sale fell through.
10 However, the DIP Lenders indicated that they would only loan further to R&H upon the terms set
11 forth in the DIP Loan Agreement.

12 Prior to the entry into the commitment for the DIP Loan Agreement, R&H attempted to
13 obtain additional unsecured financing that would allow it to complete its existing projects, but had
14 been unsuccessful in doing so. Based upon these additional efforts to obtain financing, R&H
15 determined that adequate financing on an unsecured basis is not available to it. Hedge Decl. ¶ 8.

16 Since the engagement of Scouler, the CRO, together with the President and CEO of the
17 Company, the acting CFO and other senior members of management, reached out to or
18 participated in direct discussions with all of the existing client film studios, including those
19 identified as the Lenders, as well as others, in an attempt to solicit a necessary amount of working
20 capital that would allow the Company to continue its operations in an uninterrupted manner.

21
22 ¹ As part of the Assumption Motion, the Debtor seeks to cure certain payment obligations to
23 Foreign Affiliates for pre-petition obligations of the Debtor that the Foreign Affiliates have
24 incurred but has not been paid the Debtor. The amounts are provided for in the Approved
25 Budget, and specifically are made up as follows:

- 26 a. Canada: Approved Budget includes the payment of pre-petition payroll through Feb
27 10 of \$942,000 and \$94,000 of pre-petition overhead costs for expenses incurred from
28 Jan 16, 2013;
- 26 b. India: Approved Budget includes the payment of \$280,000 of pre-petition overhead
27 costs and \$432,000 of pre-petition payroll. India pays all expenses one month in
28 arrears; and
- 26 c. Malaysia: Approved Budget includes the payment of \$195,000 of pre-petition payroll
27 costs paid one month in arrears.

1 Additionally, together with the efforts of the Company’s investment bankers, the CRO
2 and management solicited non-encumbered working capital or equity investments into the
3 Company. Discussions were held in conjunction with a specific identified potential suitor to
4 infuse immediate working capital that would have allowed the Company to fund the most recent
5 payroll obligations in the U.S. and for its Canadian subsidiary. Hedge Decl. ¶ 7.

6 The CRO and Scouler also reached out to multiple lending institutions, hedge funds and
7 private lenders in an attempt to solicit working capital or bridge loans for the Company to no
8 avail. In every case, the Company was unable to identify a party willing to provide working
9 capital or make an investment in the Company, either secured or unsecured, on an emergency or
10 long-term basis, given the adverse financial condition of the Company and its lack of tangible
11 collateral to serve as security for a loan.

12 Thus, and based on the extensive pre-petition efforts to secure funding described above,
13 without the proposed post-petition financing from the DIP Lenders, the Debtor will be unable to
14 continue to operate as a going concern and will be forced to liquidate immediately. Hedge Decl.
15 ¶ 11. This would significantly impair the value of the Debtor’s assets, to the detriment of all
16 stakeholders. On the other hand, by obtaining post-petition financing, the Debtor will be in a
17 position to continue to operate and maximize the value of its estate to the extent possible.
18 Moreover, the terms of the DIP Loan are fair, reasonable and adequate given the Debtor’s
19 circumstances, all as more fully set forth below. Hedge Decl. ¶ 12.

20 **IV. THE DIP LOAN SHOULD BE APPROVED**

21 **A. The Legal Standard**

22 The Debtor proposes to obtain financing pursuant to the DIP Loan by providing security
23 interests and other liens as set forth above pursuant to sections 364(c) of the Bankruptcy Code.
24 The statutory requirement for obtaining post-petition credit under section 364(c) of the
25 Bankruptcy Code is a finding, made after notice and hearing, that the debtor is “unable to obtain
26 unsecured credit allowable under section 503(b)(1) of the [the Bankruptcy Code].” 11 U.S.C.
27 § 364(c). Indeed, section 364(c) financing is appropriate when the debtor in possession is unable
28 to obtain unsecured credit allowable as an ordinary administrative claim. *See In re YL West 87th*

1 *Holdings I LLC*, 423 B.R. 421, 441 (Bankr. S.D.N.Y. 2010) (“Courts have generally deferred to a
2 debtor’s business judgment in granting section 364 financing”); *In re Ames Dep’t Stores, Inc.*,
3 115 B.R. 34, 37-39 (Bankr. S.D.N.Y. 1990) (debtor must show that it has made a reasonable
4 effort to seek other sources of financing under Sections 364(a) and (b) of the Bankruptcy Code);
5 *In re Crouse Group, Inc.*, 71 B.R. 544, 549 (Banks. E.D. Pa. 1987) (secured credit under Section
6 364(e)(2) of the Bankruptcy Code is authorized, after notice and hearing, upon showing that
7 unsecured credit cannot be obtained).

8 Courts have articulated a three-part test to determine whether a debtor is entitled to
9 financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

- 11 a. the debtor is unable to obtain unsecured credit under Section 364(b), *i.e.*, by
allowing a lender only an administrative claim;
- 12 b. the credit transaction is necessary to preserve the assets of the estate; and
- 13 c. the terms of the transaction are fair, reasonable, and adequate, given the
circumstances of the debtor-borrower and the proposed lender.

14 *Ames Dep’t Stores*, 115 B.R. at 37-39.

15 A debtor need only demonstrate “by a good faith effort that credit was not available
16 without” the protections afforded to potential lenders by sections 364(c) of the Bankruptcy Code.
17 *YL West 87th Holdings I LLC*, 423 B.R. 421 at 441; *In re General Growth Properties, Inc.*, 412
18 B.R. 122, 125 (Bankr. S.D.N.Y. 2009) (debtor has an obligation to make “reasonable efforts,
19 under the circumstances . . . to obtain [unsecured financing], in the ordinary course of business or
20 otherwise”).

21 A debtor’s decision to enter into a post petition lending facility under section 364 of the
22 Bankruptcy Code is governed by the business judgment standard. *See, e.g., Trans World Airlines,*
23 *Inc. v. Travelers Int’l AG (In re Trans World Airlines, Inc.)*, 163 B.R. 964, 974 (Bankr. D. Del.
24 1994) (approving postpetition loan and receivables facility because such facility “reflect[ed]
25 sound and prudent business judgment.”); *Ames Dep’t Stores*, 115 B.R. 34 at 38 (noting that other
26 decisions under section 364 find that financing reflects a debtor’s business judgment). Generally,
27 the business judgment standard requires that, absent evidence to the contrary, a debtor in
28 possession is afforded discretion to act with regard to business decision-making. *See In re*

1 *Simasko Prod. Co.*, 47 B.R. 444, 449 (Bankr. D. Colo. 1985) (“[D]iscretion to act with regard to
2 business planning activities is at the heart of the debtor’s power.”) (citations omitted).
3 To determine whether the business judgment standard is met, a court is “required to examine
4 whether a reasonable business person would make a similar decision under similar circumstances.”
5 *In re Exide Technologies*, 340 B.R. 222, 239 (Bankr. D. Del. 2006). R&H’s decision to enter into
6 the DIP Loan satisfies this standard.

7 **B. The Terms of the DIP Loan Are Reasonable and Should Be Approved**

8 The terms of the DIP Loan are reasonable for the Debtor and its estate. Hedge Decl. ¶ 12. All of
9 the terms have been negotiated in good faith. First, the interest rate of 6% is reasonable. Hedge
10 Decl. ¶ 14. Second, it is an interest only loan. Third, the Maturity Date is the earlier of (i)
11 December 31, 2015, or (ii) the effective date of a confirmed plan of reorganization. This is a very
12 pro-R&H provision when compared to the much shorter terms found in most debtor in possession
13 loans. Hedge Decl. ¶ 15. Fourth, if a Plan of Reorganization is confirmed or a sale of
14 substantially all of the assets is consummated, the DIP Lenders have agreed to enter into a new
15 loan on substantially similar terms. *Id.* Thus, in essence, the DIP Loan’s effective maturity date,
16 subject only to a default by R&H, is nearly three (3) years from now. Fifth, the DIP Lenders have
17 agreed to subordinate their otherwise first priority lien and superpriority administrative expense
18 claim to Permitted Liens, and to the fees of the Debtor’s attorneys and financial consultants, as
19 well as the fees of counsel for the Official Committee of Unsecured Creditors (the “Committee”),
20 if any, up to the amounts set forth in the definition of “Carve Out” in the DIP Loan Agreements².
21 Under the Debtor’s financial circumstances, as outlined above, the Court should approve the DIP
22 Loan. Absent such approval, the Debtor will be unable to continue to operate and will be forced
23 to liquidate. The Debtor requires the financing in order to remain in business, which will inure to
24 the benefit of all of the Debtor’s stakeholders as it will allow the Debtor the opportunity to
25

26 _____
27 ² The Carve Out is in an amount not to exceed \$1,000,000 for Debtor’s bankruptcy counsel,
28 \$500,000 for Debtor’s financial consultant, \$50,000 for Committee counsel, and \$150,000 for a
yet to be identified investment banker or broker and all accrued and unpaid fees that arise
pursuant to 28 U.S.C. § 1930.

1 emerge as a going concern or find a buyer within the next several months. As such, the DIP loan
2 is in the best interest of the estate and creditors herein. Hedge Decl. ¶ 12.

3 **V. COMPLIANCE WITH FED. R. BANKR. P. 4001(c)(1)(B) AND LBR 4001-2(b)**

4 Pursuant to Rule 4001(b)(1)(B) of the Bankruptcy Rules and Local Bankruptcy Rule 4001-2(b)
5 and (d), the Debtors submit that the relief requested by the Debtors pertaining to the approval of
6 the DIP Loan contains the following provisions:

Provision	
Cross-collateralization clauses	None
Provisions or findings of fact that bind the estate or all parties in interest with respect to the validity, perfection or amount of the secured party's pre-petition lien or debt or the waiver of claims against the secured creditor.	None
Provisions or findings of fact that bind the estate or all parties in interest with respect to the relative priorities of the secured party's pre-petition lien.	None
Provisions that operate, as a practical matter, to divest the Debtor of any discretion in the formulation of a plan or administration of the estate or to limit access to the court to seek any relief under other applicable provision of law.	<i>The DIP Loan Agreement provides the Lenders with consent rights as to the identity of any buyer, such consent not to be unreasonably withheld.</i>
Waivers of 11 U.S.C. § 506(c), unless the waiver is effective only during the period in which the Debtor is authorized to use cash collateral or borrow funds.	<i>The DIP Loan Agreement provides that the Debtor waives its rights under 506(c).</i>
Releases of liability for the creditor's alleged prepetition torts or breaches of Contract.	None
Waivers of avoidance actions arising under the Bankruptcy Code.	None
Provisions that deem prepetition secured debt to be post-petition debt or that use post-petition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt	None
Provides disparate treatment for the professionals retained by a creditor's committee from that provided for the professionals retained by the debtor with respect to a professional fee carve out.	<i>The DIP Order provides \$50,000 in the Carve Out for professionals retained by an official committee of unsecured creditors</i>
Provisions that prime any secured lien	<i>The DIP Loan Agreement provides that the liens of the DIP Lenders shall prime all existing liens other than Permitted Liens. However, the Debtor is unaware of any liens other than Permitted Liens.</i>

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Automatic relief from the automatic stay upon default, conversion to chapter 7, or appointment of a trustee.	<i>The DIP Loan Agreement provides that the DIP Lenders may exercise all rights and remedies without further order or application to the Bankruptcy Court. [However, the Debtor shall have 5 days prior to such exercising of remedies to seek a stay from the Bankruptcy Court].</i>
Waivers of procedural requirements, including those for foreclosure mandated under applicable non-bankruptcy law, and for perfection of replacement liens.	None
Adequate protection provisions which create liens on claims for relief arising under 11 U.S.C. §§ 506(c), 544, 545, 547, 548 and 549.	<i>The DIP Loan Agreement provides that the Borrower waives rights under 506(c). However, the DIP Lenders are not obtaining liens on avoidance actions.</i>
Waivers, effective on default or expiration, of the Debtor’s right to move for a court order pursuant to 11 U.S.C. § 363(c)(2)(B) authorizing the use of cash collateral in the absence of the secured party’s consent.	None

VI. CONCLUSION

WHEREFORE, based on this Motion, the Declarations of John Hughes and John F. Hedge in Support of First Day Motions, the record in these cases, including all pleadings and documents filed on behalf of the parties, the arguments and representations of counsel, and any oral or documentary evidence presented at or prior to the time of the hearing on this Motion, the Debtor respectfully requests that this Court: (a) enter interim and final orders authorizing the Debtor pursuant to 11 U.S.C. § 364(d) to (i) obtain post-petition financing pursuant to the terms of the Motion, in the maximum aggregate amount of \$17,086,000 (including \$11 million on an interim basis); (ii) enter into the DIP Loan Agreement attached to the Motion as Exhibit “A”; and (iii) pursuant to the DIP Loan Agreement, grant first priority security interests in the Collateral to the DIP Lenders subject only to existing Permitted Liens in the Collateral (as such terms are defined in the DIP Loan Agreement) and, to the extent required by the Court, incorporate the

///
///
///
///

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

1 Court's standard provisions for financing orders; (b) set a final hearing on the Motion; and
2 (c) grant such other and further relief as is necessary and appropriate.

3
4 DATED: February 13, 2013

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP

5
6 By: /s/ Jeffrey A. Krieger

7 BRIAN L. DAVIDOFF
8 JEFFREY A. KRIEGER
9 C. JOHN M. MELISSINOS
Proposed General Bankruptcy Attorneys for
Debtor and Debtor in Possession

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP
1900 Avenue of the Stars, 21st Floor
Los Angeles, California 90067-4590

DEADLINE.COM