



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE:)	
)	
LHIM PRODUCTIONS, LLC,)	
a Delaware limited liability company,)	
)	
Assignor,)	Consolidated
)	C.A. No. 2023-0851-CDW
To:)	
)	
LHIMP (ABC), LLC,)	
a Delaware limited liability company,)	
)	
Assignee.)	
)	

**NOTICE OF FILING OF ASSIGNEES' STATUS REPORT
AND ANNUAL ACCOUNTING PURSUANT TO 10 DEL. C. § 7385**

1. In connection with the above-captioned assignment for the benefit of creditors and pursuant to 10 Del. C. § 7385, LHIMP (ABC), LLC ("LHIMP"), LHIM-DTX (ABC), LLC ("LHIM-DTX"), LHIM-HTX (ABC), LLC ("LHIM-HTX"), LHIM-PAR (ABC), LLC ("LHIM-PAR"), LHIM-PPA (ABC), LLC ("LHIM-PPA"), LHIM-AGA (ABC), LLC ("LHIM-AGA"), LHIM-PB (ABC), LLC ("LHIM-PB"), and LHIM-LA (ABC), LLC ("LHIM-LA," together with LHIM-PB, LHIM-AGA, LHIM-PPA, LHIM-PAR, LHIM-HTX, LHIM-DTX, and LHIMP, the "Assignees," and each an "Assignee"), the respective Assignees for the benefit of creditors of LHIM Productions, LLC ("LHIM Productions"), LHIM Dallas, LLC ("LHIM Dallas"), LHIM Houston, LLC ("LHIM Houston"), LHIM

Phoenix, LLC (“LHIM Phoenix”), LHIM Philadelphia, LLC (“LHIM Philadelphia”), LHIM Atlanta, LLC (“LHIM Atlanta”), LHIM Pittsburg, LLC (“LHIM Pittsburg”), and LHIM Los Angeles, LLC (“LHIM Los Angeles,” together with LHIM Pittsburg, LHIM Atlanta, LHIM Philadelphia, LHIM Phoenix, LHIM Houston, LHIM Dallas, and LHIM Productions, the “Assignors,” and each an “Assignor”),¹ submit the following status report for the purpose of making the Court aware of the various developments in the pending assignment for the benefit of creditors and the attached Statement of Accounting (the “Accounting”), which is required to be filed within one year and every year thereafter of the Assignees’ filing of their secured bond in the pending assignment for the benefit of creditor proceeding. A copy of the Assignees’ Accounting is attached to this pleading as Exhibit A.

BACKGROUND

2. Each Assignee is a Delaware limited liability company, and LHIMP, LHIM-DTX, LHIM-HTX, LHIM-PAR, LHIM-PPA, and LHIM-AGA were newly formed on June 23, 2023. LHIM-PB and LHIM-LA were newly formed on August 11, 2023. Each of the Assignees is the wholly owned subsidiary of Rock Creek Advisors, LLC (“Rock Creek”), created for the purpose of administering the

¹ LHIM Pittsburg, LLC is the correct spelling for this entity.

Assignors' assignment estates (collectively, the "Assignment Estates," and each an "Assignment Estate") for the benefit of Assignors' creditors.

3. For the purpose of administering the Assignment Estates, LHIMP obtained its Employer Identification Number (93-2081239) on June 27, 2023, and subsequently opened a bank account for the Assignment Estates at T.D. Bank.

I. Procedural History

4. On August 18, 2023, each Assignor assigned all of its right, title, and interest in its assets pursuant to a certain General Assignment (collectively, the "Assignment") executed by each Assignor and Assignee for the corresponding Assignment Estate.

5. On August 21, 2023, LHIMP filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Productions, LLC, C.A. No. 2023-0851-PAF* (the "LHIM Productions Action").

6. On August 21, 2023, LHIM-DTX filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Dallas, LLC, C.A. No. 2023-0852-PAF* (the "LHIM Dallas Action").

7. On August 21, 2023, LHIM-HTX filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Houston, LLC, C.A. No. 2023-0853-PAF* (the "LHIM Houston Action").

8. On August 21, 2023, LHIM-PAR filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Phoenix, LLC, C.A. No. 2023-0854-PAF* (the “LHIM Phoenix Action”).

9. On August 21, 2023, LHIM-PPA filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Philadelphia, LLC, C.A. No. 2023-0855-PAF* (the “LHIM Philadelphia Action”).

10. On August 21, 2023, LHIM-AGA filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Atlanta, LLC, C.A. No. 2023-0856-PAF* (the “LHIM Atlanta Action”).

11. On August 21, 2023, LHIM-PB filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Pittsburg, LLC, C.A. No. 2023-0857-PAF* (the “LHIM Pittsburgh Action”).

12. On August 21, 2023, LHIM LA filed a Verified Petition for Assignment for the Benefit of Creditors in this Court styled *In Re: LHIM Los Angeles, LLC, C.A. No. 2023-0858-PAF* (the “LHIM Los Angeles Action,” together with the LHIM Pittsburgh Action, LHIM Atlanta Action, LHIM Philadelphia Action, LHIM Phoenix Action, LHIM Houston Action, LHIM Dallas Action, and LHIM Productions Action, the “LHIM Actions”).

13. On August 23, 2023, the Assignees filed a Joint Motion to Consolidate the LHIM Actions on an *ex parte* basis for administrative purposes, only. The Court granted the motion on August 24, 2023.

14. On September 18, 2023, the Assignees filed the *Inventory Affidavit of LHIMP (ABC), LLC, LHIM-DTX (ABC), LLC, LHIM-HTX (ABC), LLC, LHIM-PAR (ABC), LLC, LHIM-PPA (ABC), LLC, LHIM-AGA (ABC), LLC, LHIM-PB (ABC), LLC, and LHIM-LA (ABC), LLC*.

15. On October 6, 2023, the Assignees filed a *Supplemental Inventory Affidavit*, which attached the Assignors' consolidated balance sheets as of the commencement of the LHIM Actions.

16. The Assignees subsequently filed their *Ex Parte Motion for Order Appointing Appraisers Pursuant to 10 Del. C. § 7382* (the "Appraisal Motion") on October 3, 2023. In the Assignees' Appraisal Motion, the Assignees sought the appointment of Applied Business Strategy LLC and Cohen & Co. LPA. The Court granted the Appraisal Motion on October 16, 2023.

17. On January 30, 2024, the Assignees filed their *Ex Parte Motion Establishing Bond Amount Pursuant to 10 Del. C. § 7383* (the "Bond Motion") seeking the approval of a bond in the amount of \$6,492,342.00. The Court approved the Bond Motion on April 17, 2024, and the Assignees obtained their bond, which was secured by International Sureties, the surety issuing the bond.

18. On December 12, 2023, the Assignees filed their Initial Affidavit with the Court.

II. Events Leading Up to LHIM Actions

19. In 2020, Impact Museums, Inc. a/k/a Impact Museums, LLC, the parent company (“Impact”) to LHIM Productions, was founded for the purpose of producing and operating immersive location-based experiences.

20. With that goal in mind, Impact entered into a ten-year joint venture with Lighthouse Immersive USA, Inc. a/k/a Light House Immersive USA Corp. (“Lighthouse”), formed LHIM Productions in February 2021 and established its headquarters in Los Angeles, California. As more fully described below, Impact is currently the sole owner of LHIM Productions.

21. Through various agreements between Impact and Lighthouse, the parties agreed that Lighthouse would control the creative portion of the joint venture, which included producing the projection mapping experiences, and Impact would be responsible for the day-to-day operations of the company, which included human resources and coordinating local operations at venues.

22. These immersive visual experiences included the Vincent Van Gogh multimedia digital experience (the “Immersive Van Gogh Experience”). In total, Lighthouse programmed events in 18 cities at venues throughout North America.

23. In seven of these cities, Phoenix, Philadelphia, Atlanta, Dallas, Houston, Pittsburgh, and Los Angeles, LHIM Productions served as the operations' partner to Lighthouse and arranged for venues to stage the LHIM Productions' events. In connection with operating the immersive shows in these cities, Impact created LHIM Phoenix, LHIM Philadelphia, LHIM Atlanta, LHIM Dallas, LHIM Houston, LHIM Pittsburg, and LHIM Los Angeles. These entities subsequently entered into respective leases with various landlords to stage the events. Impact spent months designing these buildings to be customized to produce immersive experiences, expending massive time, effort and capital in outfitting the buildings for the Lighthouse productions.

24. The popularity of the Immersive Van Gogh Experience captivated audiences nationwide. Millions of people attended these multimedia exhibitions, and the LHIM Productions' joint venture was flourishing. However, the success for LHIM Productions and that of its affiliates was fleeting.

25. Shortly after the Immersive Van Gogh Experience, a business dispute ensued between Impact and Lighthouse, which centered around Lighthouse's failure to adhere to its programming obligations and remit millions of dollars to Impact pursuant to the parties' joint venture agreement.

26. Not surprisingly, Impact alleged that the actions taken by Lighthouse constituted breaches of the parties' joint venture agreement and related agreements,

which involved multiple parties. This resulted in LHIM Productions and Impact initiating an arbitration on September 12, 2022, under the Delaware Rapid Arbitration Act (the “Arbitration”) against Lighthouse and several other parties. Inevitably, the parties reached a settlement through mediation in which, among other things, Lighthouse would pay LHIM Productions \$20,500,000.00 pursuant to specific terms set forth in that certain settlement agreement (the “Settlement Agreement”). Thus, on November 7, 2022, the parties stipulated to a withdrawal of all claims and counterclaims in the Arbitration with prejudice.

27. In connection with the settlement of the Arbitration, Lighthouse agreed to transfer its ownership interest in LHIM Productions to Impact, and Impact would assume full control of LHIM Productions. Further, all agreements between Lighthouse and Impact were immediately terminated. Lighthouse also agreed to make a lump sum payment of \$2,000,000.00 and scheduled monthly payments to LHIM Productions in the amount of \$650,000.00, totaling \$18,500,000.00, which provided Lighthouse with access to LHIM Productions’ venue facilities for a total of thirty (30) venue months and would enable LHIM Productions to continue to operate. In connection with these payments, Lighthouse executed a certain Confession of Judgment (the “Confession of Judgment”) for all amounts owed that became due immediately upon any missed payment.

28. LHIM Productions' ability, and the ability of its affiliates to generate revenue in the interim was based on the continued stream of settlement payments that LHIM Productions was expected to receive under the Settlement Agreement. Unfortunately, Lighthouse informed LHIM Productions on or about May 15, 2023, that it could no longer make the monthly payments to LHIM Productions. On June 1, 2023, Lighthouse failed to make a \$1,300,000.00 payment to LHIM Productions, and on June 20, 2023, Lighthouse subsequently failed to make a \$650,000.00 payment to LHIM Productions.

29. As a result of these non-payments and Lighthouse's further indication that no missed or future payments would be made, LHIM Productions filed its Confession of Judgment with the Superior Court of the State of Delaware on June 9, 2023, for the outstanding balance of \$16,600,000.00.

30. Shortly thereafter, Lighthouse, a Toronto-based company, initiated a creditor protection proceeding on July 27, 2023, in Canada, and initiated a companion chapter 15 bankruptcy proceeding on July 28, 2023, in the United States Bankruptcy Court for the District of Delaware.

31. Lighthouse's failure to comply with the terms of the Settlement Agreement produced a catastrophic result. Although Impact made a concerted effort to fill the venues with content, without any current productions in its various venues,

and no receipt of settlement payments, LHIM Productions and its affiliates could no longer operate.

32. Recognizing these circumstances, each Assignor determined that, in consultation with its seasoned professionals and consideration of numerous alternatives, the filing of an assignment for the benefit of creditors was the most appropriate mechanism for acting in the best interests of its creditors and shareholders and maximizing the value of each Assignment Estate's assets.

33. In connection with the initiation of the LHIM Actions, each of the Assignees executed a certain Secured Promissory Note in favor of Impact in the principal amount of \$425,000.00 to ensure that the Assignees possess the financial wherewithal to administer the Assignment Estates. As part of the financing made available, the Assignees granted Impact a security interest in the assets of the Assignment Estates.

34. In consideration for the loan that Impact made to the Assignment Estates, the security interest that Impact received primed its pre-Assignment secured position, which was created in the form of a \$4.75 million secured loan made to the Assignors on January 3, 2023 (as amended and restated).

35. In addition to the funding provided, the Assignees, LHIM Productions and Impact entered into a certain Settlement Agreement and Release with Lighthouse and its related entities and principals on January 18, 2024, in which the

Assignment Estates received a total of \$400,000.00 as part of a full and final resolution of the Settlement Agreement and Confession of Judgment between the parties.

36. As part of the administration of the Assignment Estates, the Assignees implemented their claims process, which established a 180-day period for the submission of proofs of claim. The claims period ended February 14, 2024. A total of 20 proofs of claim were submitted, which equaled an aggregate amount of \$25,719,851.00. These claims consist of: (i) two pre-LHIM Actions secured claims, which Impact possesses against the LHIMP Assignment Estate in the amount of \$5,314,481.00; (ii) three priority tax claims in the aggregate amount of \$1,900,810.00, two of which were filed by the Texas Comptroller of Public Accounts in the amount of \$1,128,896.00 against the LHIM Dallas Assignment Estate, and one claim filed by the City of Pittsburgh in the amount of \$771,913.00 against the LHIM Pittsburg Assignment Estate; and (iii) 15 unsecured claims against several of the Assignment Estates in the aggregate amount of \$18,504,561.00.

37. Currently, the Assignees are in the process of collecting proceeds from the sale of certain assets of the Assignment Estates and anticipate receiving a significant tax refund that would be distributed to creditors based on the allocation schedule set forth in the Assignment and pursuant to applicable law.

38. Upon receipt of the anticipated proceeds, the Assignees will file their petition to close the Assignment Estates and request the release of the Assignees' bond. Until such time, the Assignees will continue to wind up the affairs of the Assignment Estates and will renew their bond.

Dated: April 17, 2025

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WORDS: 2,320



EXHIBIT A
STATEMENT OF ACCOUNTING

EXHIBIT A

Accounting for LHIMP (ABC), LLC; LHIM-DTX (ABC), LLC; LHIM-HTX (ABC), LLC; LHIM-PAR (ABC), LLC; LHIM-PPA (ABC), LLC; LHIM-AGA (ABC), LLC; LHIM-PB (ABC), LLC; and LHIM-LA (ABC), LLC

	LHIM-HTX	LHIM-PAR	LHIM-DTX	LHIM-AGA	LHIM-PPA	LHIM-PB	LHIM-LA	LHIMP	TOTAL
Beginning cash balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,169	\$ 150,169
RECEIPTS									
Funding from secured lender	-	-	-	-	-	-	-	225,000	225,000
Sale of assets	39,608	-	26,405	26,000	-	12,500	-	-	104,512
Legal settlement	-	-	-	-	-	-	-	400,000	400,000
Miscellaneous collections	-	1,413	1,619	3,993	-	749	9,274	880	17,927
Total Receipts	39,608	1,413	28,024	29,993	-	13,249	9,274	400,880	747,439
DISBURSEMENTS									
Federal, state, local & franchise taxes								48,643	48,643
Subcontractors								18,556	18,556
Costs to remove assets and turnover leased property	37,402	-	22,300	6,549	-	-	15,144	10,986	92,381
Tax return preparation								58,094	58,094
Assignee fee								195,000	195,000
Assignee legal costs								278,319	278,319
Legal Filing Fees								33,320	33,320
Appraisals and Bond								98,434	98,434
ABC Administrative Costs (a)								25,463	25,463
Banking fees, insurance, payroll processing and other costs	-	-	-	-	-	-	-	13,756	13,756
Total Disbursements	37,402	-	22,300	6,549	-	-	15,144	780,570	861,965
Funds available for Proposed Distribution to Creditors	\$2,206	\$1,413	\$5,724	\$23,444	\$-	\$13,249	\$(5,871)	\$(229,520)	\$35,643

(a) Includes Creditor Noticing Costs, Record Storage Costs, SPE Setup Costs