

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT
CASE TYPE: MISC

In Re: Wayzata Home Products, LLC
and cliqstudios.com LLC

Court File No.: 27-CV-20-4326

Judge: David L. Piper

**DECLARATION OF SAMUEL J.H. SIGELMAN IN SUPPORT OF ASSIGNEE'S
SECOND MOTION TO EXTEND THE STAY**

Samuel J.H. Sigelman states as follows:

1. I am an adult resident of the State of Minnesota and Director and General Counsel of Lighthouse Management Group, Inc. (“Assignee”). I make this Declaration of my own personal knowledge, unless otherwise noted, and in support of the Assignee’s Second Motion to Extend the stay (“Motion”).

2. On March 13, 2020, Wayzata Home Products, LLC and cliqstudios.com LLC (together and along with the other subsidiaries of Wayzata Home Products, LLC, collectively, the “Assignment Entities”), assigned to the Assignee all of the Assignment Entities’ property, including, but not limited to, all real property, fixtures, goods, stock, inventory, equipment, furniture, furnishings, accounts receivable, general intangibles, bank deposits, cash, promissory notes, cash value and proceeds of insurance policies, claims, and demands belonging to the assignor, wherever the property may be located (hereinafter, collectively the “Assignment Property”).

3. As more fully set forth in the First Assignee Interim Report, dated June 18, 2020 (“First Interim Report”), and filed with this Court, the Assignee has taken control of all operations, actively marketed the sale of all assets of the Assignment Entities, and negotiated the successful sale of and consummated the sale of the Assignment Property.

4. The Court has approved a claims process that allows the approximately 1,400 creditors to review and potentially submit a revised claim, which will result in the creation of a preliminary claim summary. The approved claims process concludes with the Assignee potentially filing objections within a time-period that is about 90 days from the date of service of the Notice of Claim and Proof of Claim form. The Notice of Claim and Proof of Claim form were served on June 29, 2020; therefore, the Assignee anticipates that this process should conclude by the end of September 2020.

5. However, there are sources of the Assignment Entities’ accounts receivable that are either contingent or cannot be liquidated within the next few months due to certain circumstances.

6. Given the above, it may be several months before the Assignee expects a distribution to the creditors. Consequently, the Assignee maintains it will need additional time to finish the creditor claims process, collect the accounts receivable, and file a proposed distribution schedule with the Court.


7. Pursuant to the Order dated April 28, 2020, the Court granted the Assignee’s prior Motion to Extend the Stay through and including July 11, 2020.

8. While the Assignee has made significant progress with regards to administering the Assignment Property, due to the COVID-19 pandemic, some efforts have been slowed, the creditors claim process will take about 90 days from the date of this Declaration to complete, and the process of collecting on the accounts receivable will take much longer than initially anticipated.

9. Thus, the Assignee needs more time to fully execute its obligations under the Assignment and law, which is in the best interest of the estate and the creditors. As such, the Assignee contends that the Court should extend the stay another 180 days from July 11th, through and including January 7, 2021.

I declare under penalty of perjury that everything that I have stated in this declaration is true and correct to the best of my knowledge and belief.

Dated: July 7, 2020

By: 

Samuel J.H. Sigelman