

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

OPEN ROAD FILMS, LLC, et al.,

CASE NO. 18-12012-LSS

Debtors.

Chapter 11

SOUS CHEF, LLC'S OBJECTION TO PROPOSED CURE AMOUNT

Sous Chef, LLC, ("Sous Chef"), by and through undersigned counsel, hereby objects (the "Objection") to the Debtors' *Notice of Proposed Assumption and Assignment of Executory Contracts and Unexpired Leases* [Docket No. 172] and the *Schedule of Amended Cures* [Docket No. 248] (collectively, the "Cure Notices"). In support of this Objection, Sous Chef respectfully represents as follows:

BACKGROUND

1. On September 6, 2018 ("Petition Date"), the above-captioned debtors ("Debtors"), filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code ("Bankruptcy Code").
2. On the Petition Date, Debtors filed a motion ("Sale Motion") seeking this Court's approval of the sale of substantially all of their assets ("Sale") and related bid procedures. The Court has already entered orders approving, and amending, bid procedures relating to the Sale. A hearing on the Sale Motion is currently scheduled for November 9th.
3. Sous Chef and the Debtors are parties to a Distribution Rights Acquisition Agreement dated May 20, 2013 and an Amendment No. 1 to Agreement dated February 14, 2014 (collectively, the "Distribution Agreement"). The Cure Notices identify the Distribution Agreement as a contract potentially to be assumed and assigned to the buyer under the Sale. The Cure Notices list a cure amount of

\$108,512.00 in connection with the Distribution Agreement.

OBJECTION AND RESERVATION OF RIGHTS

4. Sous Chef objects to the cure amount set forth in the Cure Notices. The actual amount necessary to cure the Distribution Agreement is \$7,500,000.00.

5. On April 23, 2018, Sous Chef wrote to the Debtors, through counsel, demanded arbitration as described in the Distribution Agreement and further outlined the factual basis for its claims of breach of contract, negligence and fraud against the Debtors.

6. The arbitration terms of the Distribution Agreement called for the parties to utilize the services of JAMS as the alternative dispute resolution provider and in accordance with such terms, Sous Chef instituted the arbitration proceedings.

7. JAMS assigned the case Reference Number 1460004689.

8. Debtors commenced these bankruptcy cases prior to any hearing before JAMS.

9. Sous Chef reserves all rights, remedies, claims and defenses in connection with the Distribution Agreement, the Sale and the Cure Notices.

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WHEREFORE, Sous Chef respectfully requests that this Court enter an Order denying the Sale Motion insofar as it seeks any relief inconsistent with the foregoing, and for such other and further relief as the Court deems to be just and equitable.

Dated: November 2, 2018

/s/ Mary F. Caloway
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