

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
LOOT CRATE, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 19- 11791 ( )
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	
	)	

**DEBTORS’ APPLICATION FOR APPOINTMENT OF  
STRETTO AS CLAIMS AND NOTICING AGENT  
NUNC PRO TUNC TO THE PETITION DATE**

Loot Crate, Inc., Loot Crate Holdings, Inc., LC Funding, Inc., and Loot Crate Parent, Inc. (collectively, the “*Debtors*”) file this application (the “*Application*”) for the entry of an order substantially in the form attached hereto as **Exhibit C**, pursuant to 28 U.S.C. § 156(c), section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “*Bankruptcy Code*”), Rule 2002(f) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “*Local Rules*”), appointing Stretto<sup>2</sup> as claims and noticing agent (“*Stretto*” or the “*Claims Agent*”) in the Debtors’ Chapter 11 Case *nunc pro tunc* to the Petition Date (*as defined below*). In support of this Application, the Debtors rely upon the Declaration of Robert Klamser, Managing Director of Stretto (the “*Klamser Declaration*”), which is attached hereto as **Exhibit B** and incorporated by reference herein, and the *Declaration of Stuart Kaufman in Support of First Day Motions and*

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<sup>1</sup> The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Loot Crate, Inc. (7119); Loot Crate Holdings, Inc.; LC Funding, Inc.; and Loot Crate Parent, Inc. The Debtors’ noticing address in these Chapter 11 cases is 3401 Pasadena Avenue, Los Angeles, CA 90031.

<sup>2</sup> Stretto is the trade name of Bankruptcy Management Solutions, Inc. and its subsidiaries.

*Related Relief* (the “**First Day Declaration**”)<sup>3</sup> [D.I. 4]. In further support of this Application, the Debtors submit as follows:

**Jurisdiction, Venue and Statutory Predicates**

1. The Court has jurisdiction over the Debtors, their estates, and this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A).

2. Venue of these Cases is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Application, to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. The statutory predicates for the relief requested in this Application are 28 U.S.C. § 156(c) and Bankruptcy Code section 105(a), Bankruptcy Rule 2002(f) and Local Rule 2002-1(f).

**Background**

5. On August 11, 2019 for Loot Crate, Inc and Loot Crate Holdings, Inc. and on August 12, 2019 for LC Funding, Inc. and Loot Crate Parent, Inc. (for each debtor, the “**Petition Date**”), each of the Debtors filed voluntary petitions with the United States Bankruptcy Court for the District of Delaware under Chapter 11 of the Bankruptcy Code.. By a motion filed on the Petition Date, the Debtors have requested that their Chapter 11 cases (collectively, the “**Cases**”)

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<sup>3</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to them in the First Day Declaration.

be consolidated for procedural purposes only and administered jointly. The Debtors are authorized to continue to operate and manage their businesses and assets as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

6. The Debtors operate a subscription box service that caters to fandom and enthusiasts through “crates” curated with “geek and gamer products” each month. The Debtors partner with industry leaders in entertainment, gaming, sports, and pop culture to deliver monthly themed crates, produce interactive experiences and digital content, and film original video productions. Products include exclusive shirts, gear, and gadgets, as well as limited edition collectibles. Since 2012, more than 32 million crates have been shipped. The Debtors are the worldwide leader in pop-culture subscription boxes, and currently have over 250,000 recurring subscribers.

7. Further information about the Debtors and these Cases, a corporate chart showing the structure of the Debtors, and pertinent facts in support of this Motion can be found in the First Day Declaration, which is incorporated herein by reference.

#### **Relief Requested**

8. This Application is made pursuant to 28 U.S.C. § 156(c), section 105(a) of the Bankruptcy Code, Bankruptcy Rule 2002(f) and Local Rule 2002-1(f). By this Application, the Debtor seeks entry of an order appointing Stretto as its Claims Agent in the Cases, *nunc pro tunc* to the Petition Date, assuming full responsibility for the distribution of notices and the maintenance, processing, and docketing of proofs of claim filed in these Cases.

9. The Debtors’ selection of Stretto satisfies the Court’s *Protocol for the Employment of Claims and Noticing Agents under 28 U.S.C. § 156(c)*, in that the Debtors have obtained and reviewed engagement proposals from at least three (3) court-approved claims and noticing agents

to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that Stretto's rates are competitive and reasonable given Stretto's quality of services and expertise. The terms of Stretto's retention are set forth in that certain Engagement Agreement annexed hereto as **Exhibit A** (the "***Engagement Agreement***"). Through this Application, the Debtors are seeking approval solely of the terms and provisions as set forth herein and the proposed order attached hereto.

**Basis for Relief**

10. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the Court, authorizes the Court to use facilities other than those of the office of the clerk of the bankruptcy court (the "***Clerk's Office***") for the administration of the bankruptcy cases. Specifically, section 156(c) provides that:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c).

11. Section 105(a) of the Bankruptcy Code provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

12. In addition, Local Rule 2002-1(f) provides:

Upon motion of the debtor or trustee, at any time without notice or hearing, the Court may authorize the retention of a notice and/or claims clerk under 28 U.S.C. § 156(c). In all cases with more than two hundred (200) creditors or parties in interest listed on the creditor matrix, unless the Court orders otherwise, the debtor shall file such motion on the first day of the case or

within seven (7) days thereafter. The notice and/or claims clerk shall comply with the Protocol for the Employment of Claims and Noticing Agents under 28 U.S.C. § 156(c) . . . and shall perform the functions below.

- (i) Serve the following notices: (a) 341 Notice (Notice of Commencement of Case); (b) Notice of Claims Bar Date in chapter 11 cases; (c) Objections to Claims and Transfers of Claims; (d) Notice of Hearing on confirmation of Plan/Disclosure Statement; (e) Notice of Hearing on motions filed by United States Trustee; (f) Notice of Transfer of Claim; and (g) any motion to convert, dismiss, appoint a trustee, or appoint an examiner filed by the United States Trustee's Office;
- (ii) Within seven (7) days of mailing, file with the Court a copy of the notice served with a Certificate of Service attached, indicating the name and complete address of each party served;
- (iii) Maintain copies of all proofs of claims and proofs of interest filed in the case;
- (iv) Maintain the official claims register and record all Transfers of Claims and make changes to the creditor matrix after the objection period has expired. The claims clerk shall also record any order entered by the Court which may affect the claim by making a notation on the claims register and monitor the Court's docket for any claims related pleading filed and make necessary notations on the claims register. No claim or claim information should be deleted for any reason;
- (v) Maintain a separate claims register and a separate creditor mailing matrix for each debtor in jointly administered cases;
- (vi) File a quarterly updated claims register with the Court in alphabetical and numerical order. If there has been no claims activity, the claims clerk may file a Certification of No Claim Activity;
- (vii) Maintain up-to-date mailing list of all creditors and all entities who have filed proofs of claim or interest and/or request for notices for each case and provide such list to the Court or any interested party upon request (within forty-eight (48) hours);

- (viii) Allow public access to claims and the claims register at no charge. The complete proof of claim and any attachment thereto shall be viewable and accessible by the public, subject to Local Rule 9037-1;
- (ix) Within fourteen (14) days of entry of an Order dismissing a case or within twenty-eight (28) days of entry of a Final Decree, (a) forward to the Clerk an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF and (c) docket a Final Claims Register. If a case has jointly-administered entities, one combined register shall be docketed in the lead case containing claims of all cases. The claims agent shall further box and transport all original claims to the Philadelphia Federal Records Center, 14470 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.
- (x) Within fourteen (14) days of entry of an Order converting a case, (a) forward to the Clerk an electronic version of all imaged claims; (b) upload the creditor mailing list into CM/ECF and (c) docket a Final Claims Register. If a case has jointly-administered entities, one combined register shall be docketed in the lead case containing claims of all cases. A Final Claims Register shall also be docketed in each jointly-administered case containing the claims of only that specific case. The claims agent shall further box and transport all original claims to the Philadelphia Federal Records Center, 14470 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.
- (xi) Upon conversion of a chapter 11 case to a chapter 7 case, if there are more than 200 creditors, the claims agent appointed in the chapter 11 case shall (i) continue to serve all notices required to be served, at the direction of the chapter 7 trustee or the Clerk's Office or (ii) submit a termination order. If a termination order has been granted, the Claims Agent shall comply with Del. Bankr. L.R. 2002-1(f)(x) above.
- (xii) Upon entry of a termination order, terminating the service of a claim agent, the claims agent shall (a) forward to the Clerk an electronic version of all imaged claims; (b) upload the creditor mailing list into CM/ECF and (c) docket a Final Claims Register. If a case has jointly-administered entities, one combined register shall be docketed in the lead case

containing claims of all cases. A Final Claims Register shall also be docketed in each jointly-administered case containing the claims of only that specific case. The claims agent shall further box and transport all original claims to the Philadelphia Federal Records Center, 14470 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.

Del. Bankr. L.R. 2002-1(f).

13. Thus, the Court is authorized to utilize outside agents and facilities for notice and claims purposes, provided that the Debtors' estates pay the cost of such services. Although the Debtors have not yet filed their schedules of assets and liabilities, they expect that there will be in excess of 1,200 entities to be noticed in these Cases. The Debtors respectfully submit that authorizing the relief requested herein is in the best interests of both the Debtors' estates and their creditors, and appropriate in these Cases due to the number of creditors, equity holders, and other parties-in-interest involved in this case, which will likely impose heavy administrative and other burdens on the Debtors, the Court, and the Clerk's Office.

#### **Stretto's Qualifications**

14. Stretto is a chapter 11 administrator comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. Stretto's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases and experience in matters of this size and complexity. Stretto's professionals have acted as debtors' legal counsel or as official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide. Stretto has developed efficient and cost-effective methods to handle the voluminous mailings associated with the noticing and claims processing portions of chapter

11 cases to ensure the efficient, orderly and fair treatment of creditors, equity security holders, and all parties in interest.

15. By appointing Stretto as the Claims and Noticing Agent in these Cases, the distribution of notices and the processing of claims will be expedited, and the Clerk's Office will be relieved of the administrative burden of processing what may be an overwhelming number of claims.

### **Services to be Provided**

16. This Application pertains only to the work to be performed by the Claims Agent under the Clerk's delegation of duties permitted by 28 U.S.C. § 156(c) and Local Rule 2002-1(f), and any work to be performed by the Claims Agent outside of this scope is not covered by this Application or any order granting approval hereof. Specifically, the Claims Agent will perform the following tasks, as well as all quality control relating thereto:

- i. Prepare and serve required notices and documents in this case in accordance with the Bankruptcy Code and the Bankruptcy Rules in the form and manner directed by the Debtors and/or the Court, including (i) notice of any claims bar date, (ii) notices of transfers of claims, (iii) notices of objections to claims and objections to transfers of claims, (iv) notices of any hearings on a disclosure statement and confirmation of the Debtors' plan or plans of reorganization, including under Bankruptcy Rule 3017(d), (v) notice of the effective date of any plan and (vi) all other notices, orders, pleadings, publications and other documents as the Debtors or Court may deem necessary or appropriate for an orderly administration of this case;
- ii. Maintain an official copy of the Debtors' schedules of assets and liabilities and statements of financial affairs (collectively, "**Schedules**"), listing the Debtors' known creditors and the amounts owed thereto;
- iii. Maintain (i) a list of all potential creditors, equity holders and other parties-in-interest; and (ii) a "core" mailing list consisting of all parties described in Bankruptcy Rule 2002(i), (j) and (k) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010; update said lists and make said lists available upon request by a party-in-interest or the Clerk;



iv. Furnish a notice to all potential creditors of the last date for the filing of proofs of claim and a form for the filing of a proof of claim, after such notice and form are approved by this Court, and notify said potential creditors of the existence, amount and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;

v. Maintain a post office box or address for the purpose of receiving claims and returned mail, and process all mail received;

vi. For all notices, motions, orders or other pleadings or documents served, prepare and file or caused to be filed with the Clerk an affidavit or certificate of service within seven (7) business days of service which includes (i) either a copy of the notice served or the docket numbers(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service, and (iv) the date served;

vii. Process all proofs of claim received, including those received by the Clerk's Office, and check said processing for accuracy, and maintain the original proofs of claim in a secure area;

viii. Maintain the official claims register for the Debtors (the "***Claims Register***") on behalf of the Clerk; upon the Clerk's request, provide the Clerk with certified, duplicate unofficial Claims Register; and specify in the Claims Register the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, (iv) the amount asserted, (v) the asserted classification(s) of the claim (*e.g.*, secured, unsecured, priority, *etc.*), and (vi) any disposition of the claim;

ix. Provide public access to the Claims Register, including complete proofs of claim with attachments, if any, without charge;

x. Implement necessary security measures to ensure the completeness and integrity of the Claims Register and the safekeeping of the original claims;

xi. Record all transfers of claims and provide any notices of such transfers as required by Bankruptcy Rule 3001(e);

xii. Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to the offices of the Claims Agent, not less than weekly;

xiii. Upon completion of the docketing process for all claims received to date for each case, turn over to the Clerk copies of the claims register for the Clerk's review (upon the Clerk's request);

xiv. Monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed and make necessary notations on and/or changes to the claims register and any service or mailing lists, including to identify and eliminate duplicative names and addresses from such lists;

xv. Identify and correct any incomplete or incorrect addresses in any mailing or service lists;

xvi. Assist in the dissemination of information to the public and respond to requests for administrative information regarding this case as directed by the Debtors or the Court, including through the use of a case website and/or call center;

xvii. If the cases are converted to chapter 7, contact the Clerk's Office within three (3) days of the notice to the Claims Agent of entry of the order converting this case;

xviii. Thirty (30) days prior to the close of this case, to the extent practicable, request that the Debtors submit to the Court a proposed Order dismissing the Claims Agent and terminating the services of such agent upon completion of its duties and responsibilities and upon the closing of this case;

xix. Within seven (7) days of notice to the Claims Agent of entry of an order closing these Cases, provide to the Court the final version of the claims register as of the date immediately before the close of this case; and

xvii. At the close of these cases, (i) box and transport all original documents, in proper format, as provided by the Clerk's Office, to (A) the Philadelphia Federal Records Center, 14470 Townsend Road, Philadelphia, PA 19154 or (B) any other location requested by the Clerk's Office; and (ii) docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.

17. The Claims Register shall be opened to the public for examination without charge during regular business hours and on a case-specific website maintained by the Claims Agent.

### Compensation

18. The Debtors respectfully request that the reasonable and undisputed fees and expenses incurred by the Claims Agent in the performance of the above services be treated as administrative expenses of the Debtors' estates pursuant to 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code and be paid in the ordinary course of business without further application to or order of the Court. The Claims Agent agrees to maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and to serve monthly invoices on the Debtors, the Office of the United States Trustee, counsel for the Debtors, counsel for any official committee, if any, monitoring the expenses of the Debtor, and any party-in-interest - who specifically requests service of the monthly invoices. If any dispute arises relating to the Engagement Agreement or monthly invoices, the parties shall meet and confer in an attempt to resolve the dispute; if resolution is not achieved, the parties may seek resolution of the matter from the Court.

19. Prior to the Petition Date, the Debtors provided Stretto a retainer in the amount of \$10,000.00. Stretto seeks to first apply the retainer to all prepetition invoices, and thereafter, to have the retainer replenished to the original retainer amount, and thereafter, to hold the retainer under the Engagement Agreement during these Cases as security for the payment of fees and expenses incurred under the Engagement Agreement.

20. The Debtors believe that the compensation rates and procedures are reasonable and appropriate for services of this nature and comparable to those charged by other providers of similar services.

21. Stretto will comply with all requests of the Clerk's Office and follow the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

**Stretto's Disinterestedness**

22. To the best of the Debtors' knowledge, and as disclosed in the Klamser Declaration, Stretto (a) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, except that Stretto was employed by the Debtors prior to the Petition Date as allowed by section 1107(b) of the Bankruptcy Code, and (b) does not hold or represent an interest materially adverse to the Debtors' estate.

23. The Klamser Declaration represents that, to the best of Stretto's knowledge, Stretto is not materially connected with the Debtors, their creditors, other parties-in-interest, the United States Trustee, or any person employed by the Office of the United States Trustee and that to the best of Stretto's knowledge, after due inquiry, Stretto does not, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors, hold or represent any interest materially adverse to the Debtors, their estates, or any class of creditors or equity interest holders with respect to the matter upon which it is to be engaged.

24. Stretto is not a creditor of the Debtor.

25. Should Stretto discover any new relevant facts or relationships bearing on the matters described in this Application during the period of its retention, Stretto will use reasonable efforts to file a supplemental declaration promptly.

26. The Debtors have been informed that Stretto will not share with any person or firm the compensation to be paid for services rendered in this case, except as among employees of Stretto.

25. In further connection with its retention as Claims Agent, Stretto represents, among other things, that:

- i. Stretto will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in this Chapter 11 Case;
- ii. By accepting employment in these Cases, Stretto waives any rights to receive compensation from the United States government in its capacity as the notice and claims agent in these Cases;
- iii. In its capacity as the notice and claims agent in these Cases, Stretto will not be an agent of the United States and will not act on behalf of the United States; and
- iv. Stretto will not employ any past or present employee of the Debtors in connection with its work as the notice and claims agent in these Cases.

27. For the reasons set forth herein, the Debtors believe that the employment of Stretto to render the types of services requested herein are necessary, appropriate, and in the best interests of the Debtors' estates. By this Application, the Debtors therefore request authority to employ and retain Stretto on the terms and conditions set forth herein and in the Engagement Agreement attached hereto.

**Compliance with the Court's Protocol**

28. This Application complies with the *Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c)* and conforms to the standard Section 156(c) application in use in this Court.

**No Prior Request**

29. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

**Notice**

30. Notice of this Motion will be given to the following parties, or to their counsel: (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors' thirty largest unsecured creditors on a consolidated basis, as identified in their Chapter 11 petitions; (c) counsel to Money Chest, LLC, the Debtors' proposed post-petition Lender; and (e) Wells Fargo Bank, National Association. As this Motion is seeking first-day relief, notice of this Motion and any order entered hereon will be served on all parties entitled to notice pursuant to Local Rule 9013-1(m). In light of the nature of the relief requested, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit C**: (a) authorizing the Debtors to retain and employ Stretto as noticing and claims processing agent in these Cases; and (b) granting such other and further relief as is just and proper.

Dated: August 12, 2019

**LOOT CRATE, INC.  
LOOT CRATE HOLDINGS, INC.  
LC FUNDING, INC.  
LOOT CRATE PARENT, INC.**

By: /s/ Stuart Kaufman  
NAME: Stuart Kaufman  
TITLE: Chief Restructuring Officer

**EXHIBIT A**  
**Engagement Agreement**

## Engagement Agreement

This Engagement Agreement (this “Agreement”) is entered into as of July 29, 2019 between Bankruptcy Management Solutions, Inc. d/b/a Stretto (“Stretto”) and Loot Crate, Inc. (together with its affiliates and subsidiaries, the “Company”).<sup>1</sup>

In consideration of the promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### 1. Services

- (a) Stretto agrees to provide the Company with consulting services regarding legal noticing, claims management and reconciliation, plan solicitation, balloting, disbursements, preparation of schedules of assets and liabilities and statements of financial affairs, communications, confidential online workspaces or data rooms (publication to which shall not violate the confidentiality provisions of this Agreement) and any other services agreed upon by the parties or otherwise required by applicable law, governmental regulations or court rules or orders (all such services collectively, the “Services”).
- (b) The Company acknowledges and agrees that Stretto will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the “Company Parties”) with respect to providing Services hereunder. The parties agree that Stretto may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company.
- (c) The Company agrees and understands that Stretto shall not provide the Company or any other party with legal advice.

### 2. Rates, Expenses and Payment

- (a) Stretto will provide the Services on an as-needed basis and upon request or agreement of the Company, in each case in accordance with the rate structure attached hereto and incorporated by reference herein (the “Rate Structure”). The Company agrees to pay for reasonable out of pocket expenses incurred by Stretto in connection with providing Services hereunder.
- (b) The Rate Structure sets forth individual unit pricing for each of the Services. The Company may request separate Services or all of the Services.
- (c) Stretto will bill the Company no less frequently than monthly. All invoices shall be due and payable upon receipt. Where an expense or group of expenses to be incurred is expected to exceed \$10,000 (e.g., publication notice), Stretto may require advance or direct payment from the Company before the performance of Services hereunder. If any amount is unpaid as of 30 days after delivery of an invoice, the Company agrees to pay a late charge equal to 1.5% of the total amount unpaid every 30 days.
- (d) In the case of a dispute with respect to an invoice amount, the Company shall provide a detailed written notice of such dispute to Stretto within 10 days of receipt of the invoice.
- (e) The undisputed portion of the invoice will remain due and payable immediately upon receipt thereof. Late charges shall not accrue on any amounts disputed in good faith.

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<sup>1</sup> The Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in any chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.



- (f) The Company shall pay any fees and expenses for Services relating to, arising out of or resulting from any error or omission made by the Company or the Company Parties.
- (g) The Company shall pay or reimburse any taxes that are applicable to Services performed hereunder or that are measured by payments made hereunder and are required to be collected by Stretto or paid by Stretto to a taxing authority.
- (h) Upon execution of this Agreement, the Company shall pay Stretto an advance of \$10,000. Stretto may use such advance against unpaid fees and expenses hereunder. Stretto may use the advance against all prepetition fees and expenses. Company shall upon Stretto's request, which request may take the form of an invoice, replenish the advance to the original advance amount. Stretto may also, at its option hold such advance to apply against unpaid fees and expenses hereunder.
- (i) Stretto reserves the right to make reasonable increases to the Rate Structure on an annual basis effective on the first business day of each year. If such annual increases represent an increase greater than 10% from the previous year's levels, Stretto shall provide 30 days' notice to the Company of such increases.
- (j) Payments to Stretto under the terms of this Agreement for services rendered, may be remitted by Client using either (or both) of the following methods:

**Wire Transmission**

Bank Name – Pacific Western Bank

Bank Address – 110 West A Street, Suite 100, San Diego, CA 92101

ABA – 122238200

Account Number – 1000681781

Account Name – Bankruptcy Management Solutions, Inc.

**Check**

Stretto

c/o Controller, Chris Mok

410 Exchange, Suite 100

Irvine, CA 92602

**3. Retention in Bankruptcy Case**

- (a) If the Company commences a case pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Company promptly shall file applications with the Bankruptcy Court to retain Stretto (i) as claims and noticing agent pursuant to 28 U.S.C. § 156(c) and (ii) as administrative advisor pursuant to section 327(a) of the Bankruptcy Code for all Services that fall outside the scope of 28 U.S.C. § 156(c). The form and substance of such applications and any order approving them shall be reasonably acceptable to Stretto.
- (b) If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, Stretto will continue to be paid for Services pursuant to 28 U.S.C. § 156(c) and the terms hereunder.

**4. Confidentiality**

- (a) The Company and Stretto agree to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the Services provided hereunder; provided, however, that if any such information was publicly available, already in the receiving party's possession or known to it, independently developed by the receiving party, lawfully obtained by the receiving party from a third party

or required to be disclosed by law, then the receiving party shall bear no responsibility for publicly disclosing such information.

- (b) If either party reasonably believes that it is required to disclose any confidential information pursuant to an order from a governmental authority, (i) such party shall provide written notice to the other party promptly after receiving such order, to allow the other party sufficient time, if possible, to seek any remedy available under applicable law to prevent disclosure of the information; and (ii) such party will limit such disclosure to the extent the such party's counsel in good faith determines such disclosure can be limited.

## 5. Property Rights

Stretto reserves to itself and its agents all property rights in and to all materials, concepts, creations, inventions, works of authorship, improvements, designs, innovations, ideas, discoveries, know-how, techniques, programs, systems, specifications, applications, processes, routines, manuals, documentation and any other information or property (collectively, "Property") furnished by Stretto for itself or for use by the Company hereunder. The foregoing definition of Property shall include any and all data, from any source, downloaded, stored and maintained by Stretto's technology infrastructure. Fees and expenses paid by the Company do not vest in the Company any rights in such Property. Such Property is only being made available for the Company's use during and in connection with the Services provided by Stretto hereunder.

## 6. Bank Accounts

At the request of the Company or the Company Parties, Stretto shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company to facilitate distributions pursuant to a chapter 11 plan or other transaction. To the extent that certain financial products are provided to the Company pursuant to Stretto's agreement with financial institutions, Stretto may receive compensation from such institutions for the services Stretto provides pursuant to such agreement.

## 7. Term and Termination

- (a) This Agreement shall remain in effect until terminated by either party: (i) on 30 days' prior written notice to other party; or (ii) immediately upon written notice for Cause (as defined herein). "Cause" means (i) gross negligence or willful misconduct of Stretto that causes material harm to the Company's restructuring under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay Stretto invoices for more than 60 days from the date of invoice or (iii) the accrual of invoices or unpaid Services in excess of the advance held by Stretto where Stretto reasonably believes it likely will not be paid.
- (b) If this Agreement is terminated after Stretto is retained pursuant to Bankruptcy Court order, the Company promptly shall seek entry of a Bankruptcy Court order discharging Stretto of its duties under such retention, which order shall be in form and substance reasonably acceptable to Stretto.
- (c) If this Agreement is terminated, the Company shall remain liable for all amounts then accrued and/or due and owing to Stretto hereunder.
- (d) If this Agreement is terminated, Stretto shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions, and Stretto shall provide the necessary staff, services and assistance required for such an orderly transfer. The Company agrees to pay for such Services pursuant to the Rate Structure.

## 8. No Representations or Warranties

Stretto makes no representations or warranties, express or implied, regarding the services and products sold or licensed to the Company hereunder or otherwise with respect to this Agreement, including, without limitation, any express or implied warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity. Notwithstanding the foregoing, if the above disclaimer is not enforceable under applicable law, such disclaimer will be construed by limiting it so as to be enforceable to the extent compatible with applicable law.

## 9. Indemnification

- (a) To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless Stretto and its members, directors, officers, employees, representatives, affiliates, consultants, subcontractors and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, judgments, liabilities and expenses, whether direct or indirect (including, without limitation, counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to Stretto's performance hereunder. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third parties against any Indemnified Party.
- (b) Stretto and the Company shall notify each other in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that either party becomes aware of with respect to the Services provided hereunder.
- (c) The Company's indemnification of Stretto hereunder shall exclude Losses resulting from Stretto's gross negligence or willful misconduct.
- (d) The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

## 10. Limitations of Liability

Except as expressly provided herein, Stretto's liability to the Company for any Losses, unless due to Stretto's gross negligence or willful misconduct, shall be limited to the total amount paid by the Company to Stretto for the portion of the particular work that gave rise to the alleged Loss. In no event shall Stretto be liable for any indirect, special or consequential damages (such as loss of anticipated profits or other economic loss) in connection with or arising out of the Services provided hereunder.

## 11. Company Data

- (a) The Company is responsible for, and Stretto does not verify, the accuracy of the programs, data and other information it or any Company Party submits for processing to Stretto and for the output of such information, including, without limitation, with respect to preparation of statements of financial affairs and schedules of assets and liabilities (collectively, "SOFAs and Schedules"). Stretto bears no responsibility for the accuracy and content of SOFAs and Schedules, and the Company is deemed hereunder to have approved and reviewed all SOFAs and Schedules filed on its behalf.
- (b) The Company agrees, represents and warrants to Stretto that before delivery of any information to Stretto: (i) the Company has full authority to deliver such information to Stretto; and (ii) Stretto is authorized to use such information to perform Services hereunder and as otherwise set forth in this Agreement.
- (c) Any data, storage media, programs or other materials furnished to Stretto by the Company may be retained by Stretto until the Services provided hereunder are paid in full. The Company shall remain liable for all fees and expenses incurred by Stretto under this

Agreement as a result of data, storage media or other materials maintained, stored or disposed of by Stretto. Any such disposal shall be in a manner requested by or acceptable to the Company; provided that if the Company has not utilized Stretto's Services for a period of 90 days or more, Stretto may dispose of any such materials in a manner to be determined in Stretto's sole reasonable discretion, and be reimbursed by the Company for the expense of such disposition, after giving the Company 30 days' notice. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs, data or information provided by the Company to Stretto.

- (d) Notwithstanding the foregoing, if Stretto is retained pursuant to Bankruptcy Court order, disposal of any Company data, storage media or other materials shall comply with any applicable court orders and rules or clerk's office instructions.

## **12. Non-Solicitation**

The Company agrees that neither it nor any of its subsidiaries or affiliates shall directly or indirectly solicit for employment, employ or otherwise retain as employees, consultants or otherwise, any employees of Stretto during the term of this Agreement and for a period of 12 months after termination thereof unless Stretto provides prior written consent to such solicitation or retention.

## **13. Force Majeure**

Whenever performance by Stretto of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, government requirement, strike, lock-out or other industrial or transportation disturbance, fire, flood, epidemic, lack of materials, law, regulation or ordinance, act of terrorism, war or war condition, or by reason of any other matter beyond Stretto's reasonable control, then such performance shall be excused.

## **14. Choice of Law**

The validity, enforceability and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

## **15. Arbitration**

Any dispute arising out of or relating to this Agreement or the breach thereof shall be finally resolved by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. There shall be three arbitrators named in accordance with such rules. The arbitration shall be conducted in the English language in Irvine, California in accordance with the United States Arbitration Act. Notwithstanding the foregoing, upon commencement of any chapter 11 case(s) by the Company, any disputes related to this Agreement shall be decided by the bankruptcy court assigned to such chapter 11 case(s).

## **16. Integration: Severability; Modifications: Assignment**

- (a) Each party acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, agreements and communications between the parties relating to the subject matter hereof.
- (b) If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

- (c) This Agreement may be modified only by a writing duly executed by an authorized representative of the Company and an officer of Stretto.
- (d) This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other; provided, however, that Stretto may assign this Agreement to a wholly-owned subsidiary or affiliate without the Company's consent.

### 17. Effectiveness of Counterparts

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which shall constitute one and the same agreement. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, which delivery may be made by exchange of copies of the signature page by fax or email.

### 18. Notices

All notices and requests in connection with this Agreement shall be sufficiently given or made if given or made in writing via hand delivery, overnight courier, U.S. Mail (postage prepaid) or email, and addressed as follows:

If to Stretto:                   Stretto  
  410 Exchange, Ste. 100  
  Irvine, CA 92602  
  Attn: Sheryl Betance  
  Tel: 714.716.1872  
  Email: sheryl.betance@stretto.com

If to the Company:           Portage Point Partners  
  300 Noth LaSalle, Suite 4925  
  Chicago, IL 60654  
  Attn: Stuart Kauffman  
  Tel: 312.781.7526  
  Email: skaufman@ppllc.com

With a copy to:               Bryan Cave Leighton Paisner LLP  
  One Atlantic Center, 14th Floor  
  1201 W. Peachtree St., N.W.  
  Atlanta, GA 30309  
  Attn: Mark I. Duedall  
  Tel: 404.572.6611  
  Email: mark.duedall@bclplaw.com

[THIS SPACE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement effective as of the date first above written.

Stretto



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By: Robert Q. Klamser

Title: Managing Director

Loot Crate, Inc.



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By: Stuart Kaufman

Title: Chief Restructuring Officer

## Fee Structure

### Consulting Services and Rates

Position	Hourly Rate
<i>Analyst</i>	<i>\$30.00 - \$50.00</i>

The Analyst processes incoming mail, including proofs of claim, ballots, creditor correspondence and returned mail. Also assists with the generation of mailing services.

<i>Associate/Senior Associate</i>	<i>\$65.00 - \$165.00</i>
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The Associate manages the various data collection processes required by the Chapter 11 process. This includes, among other things, compiling the creditor matrix and Schedules/SOFAs (and generating drafts of same for counsel and advisors), reviewing and processing claims, overseeing contract review, overseeing all mailings and generating custom claim and ballot reports.

The Senior Associate leads complex data aggregation projects for compilation of Schedules & SOFA, the creditor matrix and special notice lists. In addition, the Senior Associate oversees quality control and on mailings and reports. Stretto's Senior Associates average over seven years of experience.

<i>Director/ Managing Director</i>	<i>\$175.00 - \$210.00</i>
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The Director is the primary contact for the company, counsel and other professionals and oversees and supports all aspects of the administration for the entirety of an engagement.

The Managing Director provides industry and/or project specific expertise to support complex matters. Professionals, including Stretto's executive management team will serve in this role when appropriate.

Stretto's Directors and Managing Directors have over fifteen years of experience and are typically former restructuring professionals.

<i>COO/SMD</i>	<i>Waived</i>
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Our COO and Senior Managing Director oversee Stretto's Corporate Restructuring group and will provide consulting support to this matter at no charge. Our COO and Senior Managing Director collectively have over thirty-five years of experience.

### Solicitation, Balloting and Tabulation Rates

<i>Solicitation Associate</i>	<i>\$190</i>
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The Solicitation Associate reviews, tabulates and audits ballots, and executes plan solicitation and other public securities mailings. The Solicitation Associate also prepares customized reports relating to voting and other corporate events, including exchange offers and rights subscriptions. The Solicitation Associate also interfaces with banks, brokers, nominees, depositories and their agents regarding solicitations and related communications.

<i>Director of Securities</i>	<i>\$210</i>
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The Director of Securities leads public securities noticing and related actions, including voting, exchange offers, treatment elections, rights subscriptions and distributions and coordinates with banks, brokers, nominees, their agents and depositories to ensure the smooth execution of related processes.

**Printing Services & Noticing Services**

**Service**

Printing  
 Customization/Envelope Printing  
 Document Folding and Inserting  
 Postage/Overnight Delivery  
 Email Noticing  
 Fax Noticing  
 Envelopes  
 Coordinate and Publish Legal Notices

**Pricing**

\$0.10 (per image)  
 \$0.05 (each)  
 Waived  
 Preferred Rates  
 Waived  
 \$0.10 (per page)  
 Varies by Size  
 Available on Request

**Electronic Services**

**Service**

Case Website Set-Up  
 Case Website Hosting  
 Update Case Docket and Claims Register  
 Online Claims Filing  
 Custom Software, Workflow and Review Resources  
 eDiscovery

**Pricing**

Waived  
 Waived  
 Waived  
 Waived  
 Quoted at Time of Request  
 Quoted at Time of Request

**Claims Administration & Management Expenses**

**Service**

License Fee and Data Storage (Per Creditor per Month)  
 Database and System Access (Unlimited Users)  
 Custom Client Reports

**Pricing**

\$0.10  
 Waived  
 Waived

**Document Management Services**

**Service**

Electronic Imaging (Per Imaged Page)  
 Virtual Data Room  
 Mass Document Storage (Per Device)

**Pricing**

\$0.10  
 Available on Request  
 \$7.25

**Call Center Support Services**

**Service**

Case-Specific Voice-Mail Box for Creditors  
 Interactive Voice Response (Per Minute)  
 Monthly Maintenance Charge  
 Management of Call Center (Per Hour)

**Pricing**

Waived  
 Waived  
 Waived  
 Standard Hourly Rates

**Disbursement Services**

**Service**

Check Issuance  
 W-9 Mailing and Maintenance of TIN Database  
 Disbursements - Record to Transfer Agent

**Pricing**

Available on Request  
 Standard Hourly Rates  
 Quoted at Time of Request

**Other Services**

**Service**

Depositions/Court Reporting

**Pricing**

Quoted at Time of Request



**EXHIBIT B**  
**Klamser Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
LOOT CRATE, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 19-11791 ( )
	)	
Debtors.	)	(Joint Administration Requested)
	)	
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	)	

**DECLARATION OF ROBERT KLAMSER IN SUPPORT OF  
DEBTORS’ APPLICATION FOR APPOINTMENT OF STRETTO  
AS CLAIMS AND NOTICING AGENT *NUNC PRO TUNC* TO THE PETITION DATE**

Pursuant to 28 U.S.C. § 1746, I, Robert Klamser, declare under penalty of perjury that the following is true and correct to the best of my information, knowledge, and belief:

1. I am Managing Director of Stretto (“**Stretto**”)<sup>2</sup>, and I am authorized to make and submit this declaration (the “**Declaration**”) on behalf of Stretto. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I submit this declaration in support of the above-captioned debtors (the “*Debtors*”) *Application for Appointment of Stretto as Claims and Noticing Agent* for the Debtors *nunc pro tunc* to the Petition Date pursuant to 28 U.S.C. § 156(c), 11 U.S.C. § 105(a), Bankruptcy Rule 2002(f), and Local Rule 2002-1(f) (the “*Application*”)<sup>3</sup>, filed contemporaneously herewith.

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<sup>1</sup> The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Loot Crate, Inc. (7119); Loot Crate Holdings, Inc.; LC Funding, Inc.; and Loot Crate Parent, Inc. The Debtors’ noticing address in these Chapter 11 cases is 3401 Pasadena Avenue, Los Angeles, CA 90031.

<sup>2</sup> Stretto is the trade name of Bankruptcy Management Solutions, Inc. and its subsidiaries.

<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

3. Stretto is a chapter 11 administrator comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. Stretto's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases and experience in matters of this size and complexity. Stretto's professionals have acted as debtors' legal counsel or as official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide. Stretto has developed efficient and cost-effective methods to handle the voluminous mailings associated with the noticing and claims processing portions of chapter 11 cases to ensure the efficient, orderly and fair treatment of creditors, equity security holders, and all parties in interest.

#### **Services to be Performed**

4. As agent and custodian of Court records pursuant to 28 U.S.C. § 156(c), Stretto will perform, at the request of the Clerk's Office, the noticing and claims-related services specified in the Application and the Engagement Agreement, and, at the Debtors' request, any related administrative, technical and support services as specified in the Application and the Engagement Agreement, subject to 28 U.S.C. § 156(c) and the Claims Agent Protocol. In performing such services, Stretto will charge the Debtors the rates set forth in the Engagement Agreement.

#### **Distinterestedness**

5. Stretto represents, among other things, the following:
- a. Stretto is not a creditor of the Debtors;
  - b. Stretto will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these Cases;

- c. By accepting employment in these Cases, Stretto waives any rights to receive compensation from the United States government in its capacity as the notice and claims agent in this Chapter 11 Case;
- d. In its capacity as the notice and claims agent in this Chapter 11 Case, Stretto will not be an agent of the United States and will not act on behalf of the United States;
- e. Stretto will not employ any past or present employee of the Debtor in connection with its work as the notice and claims agent in this Chapter 11 Case;
- f. In its capacity as notice and claims agent in this Chapter 11 Case, Stretto will not intentionally misrepresent any fact to any person;
- g. Stretto shall be under the supervision and control of the Clerk's Office with respect to the receipt and recordation of claims and claim transfers;
- h. Stretto will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c); and
- i. None of the services provided by Stretto as notice and claims agent in this Chapter 11 Case shall be at the expense of the Clerk's Office.

6. Although the Debtors do not propose to retain Stretto under section 327 of the Bankruptcy Code pursuant to this Application, I caused to be submitted for review by our conflicts system the names of all known potential parties-in-interest (the "***Potential Parties in Interest***") in these Cases. The list of Potential Parties in Interest was provided by the Debtors and included, among other parties, the Debtors, equity holders, lenders, creditors and vendors, and other parties in interest. The results of the conflict check were compiled and reviewed by Stretto professionals under my supervision. At this time, and as set forth in further detail herein, Stretto is not aware of any connection that would present a disqualifying conflict of interest. Should Stretto discover any new relevant facts or connections bearing on the matters described herein during the

period of its retention, Stretto will use reasonable efforts to file promptly a supplemental declaration.

7. To the best of my knowledge, and based solely upon information provided to me by the Debtors, and except as provided herein, neither Stretto, nor any of its personnel, holds or represents an interest materially adverse to the Debtors' estates nor has a material connection to the Debtors, their creditors, or related parties with respect to any matter for which Stretto will be employed. Stretto may have relationships with certain of the Debtors' creditors as vendors or in connection with cases in which Stretto serves or has served as claims and noticing agent and/or administrative advisor for another chapter 11 debtor. However, to the best of my knowledge, no such relationships are materially related to these Cases.

8. Stretto has working relationships with certain of the professionals retained by the Debtors and other parties herein but such relationships are entirely unrelated to the Chapter 11 Case. Stretto has and will continue to represent clients in matters unrelated to the Chapter 11 Case, and Stretto and its personnel may have, and will continue to have, relationships personally or in the ordinary course of its business with certain vendors, professionals, financial institutions, and other parties in interest in connection with matters unrelated to this case. Stretto may also provide professional services to entities or persons that may be creditors or parties in interest in the Cases, which services do not directly relate to, or have any direct connection with, the Cases or the Debtors.

9. Stretto and its personnel in their individual capacities regularly utilize the services of law firms, accounting firms, and financial advisors. Such firms engaged by Stretto or its personnel may appear in this case representing the Debtors or parties in interest. All engagements

where such firms represent Stretto or its personnel in their individual capacities are unrelated to these Cases.

10. Certain of Stretto's professionals were partners of or formerly employed by firms that are providing or may provide professional services to parties in interest in this case. Except as may be disclosed herein, these professionals did not work on any matters involving the Debtors while employed by their previous firms. Moreover, these professionals were not employed by their previous firms when these Cases were filed.

11. In April 2017, Stretto was acquired by Trident VI Funds, managed by private equity firm Stone Point Capital LLC ("*Stone Point*"). Stone Point is a financial services-focused private equity firm based in Greenwich, Connecticut. The firm has raised and managed seven private equity funds (the "*Trident Funds*") with aggregate committed capital of approximately \$19 billion. Stone Point targets investments in the global financial services industry, including investments in companies that provide outsourced services to financial institutions, banks and depository institutions, asset management firms, insurance and reinsurance companies, insurance distribution and other insurance-related businesses, specialty lending and other credit opportunities, mortgage services companies and employee benefits and healthcare companies.

12. The following disclosure is made out of an abundance of caution in an effort to comply with the Bankruptcy Code and Bankruptcy Rules. However, neither the Trident VI Funds nor Stone Point have been identified on the parties in interest list in these Cases as of the date hereof.

13. Stretto has searched the names of the Debtors and the names of the potential parties in interest provided by the Debtors against Stone Point, its funds, and their respective investments as set forth in the list most recently provided to Stretto by Stone Point's internal

compliance department. Based solely on the foregoing search, Stretto has determined that two companies in which the Trident Funds own minority interests – Alliant Insurance Services and Starstone Specialty Insurance Company – have been identified as entities that may be materially involved in the Cases. However, to the best of Stretto’s knowledge, Stretto’s relationship to these two companies does not create any adverse interest against the Debtors’ estates that would present a disqualifying conflict of interest, and there are no other connections that require disclosure. To the extent Stretto learns of any new relevant facts or connections between Stone Point, its funds, or investments included in the above-described conflicts search and the Debtors bearing on these Cases, Stretto will promptly file a supplemental disclosure. Stretto may have had, or may in the future have business relationships unrelated to the Debtors with one or more Stone Point entities including, among others, portfolio companies of Stone Point.

14. From time to time, Stretto partners or employees personally invest in mutual funds, retirement funds, private equity funds, venture capital funds, hedge funds, and other types of investment funds (the “*Investment Funds*”), through which such individuals indirectly acquire a debt or equity security of many companies, one of which may be the Debtors or their affiliate, often without Stretto’s or its personnel’s knowledge. Each Stretto partner or employee generally owns substantially less than one percent of such Investment Fund, does not manage or otherwise control such Investment Fund and has no influence over the Investment Fund’s decision to buy, sell, or vote any particular security. Each Investment Fund is generally operated as a blind pool, meaning that when Stretto partners or employees make an investment in the particular Investment Fund, he, she or they do not know what securities the blind pool Investment Fund will purchase or sell, and have no control over such purchases or sales.

15. From time to time, Stretto partners or employees may personally directly acquire a debt or equity security of a company which may be the Debtors or their affiliates. Stretto has a policy prohibiting its partners and employees from using confidential information that may come to their attention in the course of their work. In this regard, subject to the foregoing, all Stretto partners and employees are barred from trading in securities with respect to matters in which Stretto is retained. Subject to the foregoing, upon information and belief, and upon reasonable inquiry, Stretto does not believe that any of its partners or employees own any debt or equity securities of a company that is a Debtors or of any of their affiliates.

16. Subject to Court approval, the Debtors have agreed to compensate Stretto for professional services rendered pursuant to 28 U.S.C. § 156(c) in connection with the Cases according to the terms and conditions of the Engagement Agreement. Payments are to be based upon the submission of a billing statement by Stretto to the Debtors after the end of each calendar month, which includes a detailed listing of services and expenses. Stretto has received from the Debtors a retainer in the amount of \$10,000.00 and will apply the retainer first against any outstanding prepetition fees and expenses, which retainer shall then be replenished to the original retainer amount, and thereafter, Stretto will hold its retainer under the Engagement Agreement during the Cases as security for the payment of fees and expenses incurred under the Engagement Agreement.

17. Based on the foregoing, I believe that Stretto is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code. Moreover, to the best of the knowledge and belief, neither Stretto nor any of its employees hold or represent any interest



materially adverse to the Debtors' estates with respect to any matter upon which Stretto is to be employed.

August 11, 2019

**Bankruptcy Management Solutions, Inc.  
d/b/a Stretto**

By: /s/ Robert Klamser  
Robert Klamser  
Managing Director

**Exhibit C**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: ) Chapter 11  
)  
LOOT CRATE, INC., *et al.*,<sup>1</sup> ) Case No. 19-11791 ( )  
)  
Debtors. ) (Joint Administration Requested)  
)  
\_\_\_\_\_ ) [Related Docket No. \_\_\_\_]

**ORDER AUTHORIZING RETENTION AND APPOINTMENT OF  
STRETTO AS CLAIMS AND NOTICING AGENT  
NUNC PRO TUNC TO THE PETITION DATE**

Upon the above-captioned debtors (the “*Debtors*”) Application<sup>2</sup> for an Order Appointing Stretto (“*Stretto*” or the “*Claims Agent*”) as Claims and Noticing Agent for the Debtor *Nunc Pro Tunc* to the Petition Date, pursuant to 28 U.S.C. § 156(c), 11 U.S.C. § 105(a), Bankruptcy Rule 2002(f) and Local Rule 2002-1(f) (the “*Application*”), as more particularly set forth in the Application; and pursuant to the Declaration of Robert Klamser in Support of the Application, and the Engagement Agreement; and the First Day Declaration; and the Court having found that the relief requested is in the best interests of the Debtors’ estates, their creditors and all other parties-in-interest; and the Court having found that due and sufficient notice of the Application was provided; and the Court having found that it has jurisdiction to consider the Application and grant the relief requested therein; and the Court having reviewed the Application and having

<sup>1</sup> The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Loot Crate, Inc. (7119); Loot Crate Holdings, Inc.; LC Funding, Inc.; and Loot Crate Parent, Inc. The Debtors’ noticing address in these Chapter 11 cases is 3401 Pasadena Avenue, Los Angeles, CA 90031.

<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed to them in the Application.

determined that the legal and factual bases set forth therein establish just cause for the relief requested, and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. Notwithstanding the terms of the Engagement Agreement attached to the Application, the Application is approved solely as set forth in this Order.

2. The Debtors shall be, and hereby are, authorized to retain and employ Stretto as notice and claims processing agent, *nunc pro tunc* to the Petition Date, and to perform the services set forth in the Application (the “*Services*”) in accordance with the terms and conditions set forth in the Engagement Agreement and Local Rule 2002-1(f) as of the Petition Date.

3. Except as modified herein, the terms of the Engagement Agreement are approved.

4. Stretto shall serve as custodian of court records and, as such, is designated as the authorized repository for all proofs of claim filed in these Cases and is authorized and directed to maintain official claims registers for the Debtors and to provide the Clerk’s Office with a certified duplicate thereof on a monthly basis unless otherwise directed by the Clerk’s Office.

5. Stretto is authorized and directed to obtain a post office box or address for the receipt of proofs of claim.

6. Stretto is authorized to take such action to comply with all duties set forth in the Application.

7. The Debtors are authorized to compensate Stretto in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the Services provided by Stretto and the rates charged for each, and to reimburse Stretto for all related reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, and subject to the procedures set forth below, without the need for Stretto to file

fee applications or otherwise seek Court approval for the compensation of its Services and reimbursement of its related expenses.

8. Stretto shall maintain records of all Services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtors, the Office of the United States Trustee, counsel for the Debtors, counsel for any official committee, if any, monitoring the expenses of the Debtors, and any party-in-interest who specifically requests service of the monthly invoices.

9. The parties shall meet and confer in an attempt to resolve any dispute which may arise relating to the Engagement Agreement or monthly invoices; provided that the parties may seek resolution of the matter from the Court if resolution is not achieved.

10. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of Stretto under this Order shall be an administrative expense of the Debtors' estates.

11. Stretto's application of its retainer to prepetition invoices is hereby approved and such retainer shall be replenished and held under the Engagement Agreement during these Cases as security for the payment of fees and expenses incurred under the Engagement Agreement from and after the Petition Date.

12. Stretto shall not be entitled to indemnification, contribution or reimbursement pursuant to the Engagement Agreement for services other than the services provided under the Engagement Agreement, unless such services and the indemnification, contribution or reimbursement therefore are approved by the Court.

13. Notwithstanding anything to the contrary in the Engagement Agreement, the Debtors shall have no obligation, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from Stretto's gross negligence, willful

misconduct, or fraud; (ii) for a contractual dispute in which the Debtor alleges the breach of Stretto's contractual obligations if the Court determines that indemnification contribution or reimbursement would not be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination under (i) or (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which Stretto should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement as modified by this Order.

14. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing this case, Stretto believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including without limitation the advancement of defense costs, Stretto must file an application therefor in this Court, and the Debtors may not pay any such amounts to Stretto before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Stretto for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify Stretto. All parties-in-interest shall retain the right to object to any demand by Stretto for indemnification, contribution or reimbursement.

15. To the extent that there may be any inconsistency between the terms of the Application, the Engagement Agreement, and this Order, the terms of this Order shall govern.

16. Stretto shall not cease providing claims processing services during this Chapter 11 Case for any reason without prior order of this Court authorizing Stretto to do so; *provided*

*however*, that Stretto may seek such an order on expedited notice by filing a request with the Court with notice of such request to be served on the Debtors, the Office of the United States Trustee and any official committee of creditors appointed in this case by facsimile or overnight delivery.

17. In the event Stretto is unable to provide the Services, Stretto will immediately notify the Clerk's Office and counsel for the Debtors and cause to have all original proofs of claim and computer information turned over to the Clerk's Office or another claims agent with the advice and consent of the Clerk's Office and counsel for the Debtors.

18. The Debtors may submit a separate retention application, pursuant to 11 U.S.C. § 327 and/or any applicable law, for work that is to be performed by Stretto but is not specifically authorized by this Order.

19. Stretto shall comply with all requests of the Clerk's Office and follow the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

20. The Debtors and Stretto are authorized to take such other action as is reasonably necessary to comply with all of the duties set forth in the Application and this Order.

21. Notwithstanding any term in the Engagement Agreement to the contrary, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

22. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.

23. In the event of any inconsistency between the Engagement Agreement, the Application and this Order, this Order shall govern.