

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

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In re:)	Chapter 11	
)		
VER TECHNOLOGIES HOLDCO LLC, <i>et al.</i> , ¹)	Case No. 18-10834 (KG)	
)		
Debtors.)	(Jointly Administered)	
)		

**DECLARATION OF NICK LEONE
IN SUPPORT OF CONFIRMATION OF THE THIRD
AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF VER TECHNOLOGIES HOLDCO LLC AND ITS DEBTOR AFFILIATES**

Pursuant to 28 U.S.C. § 1746, I, Nick Leone, hereby declare as follows under penalty of perjury:

Background and Qualifications

1. I am a Partner in the Restructuring and Special Situations Group at PJT Partners LP (“PJT”), a financial advisory and investment banking firm with its principal offices at 280 Park Avenue, New York, New York 10017. PJT is a global financial services firm that provides restructuring and special situations, capital markets, and merger and acquisition services.

2. I received a BA in economics from Columbia University and an MBA from the University of Chicago Booth School of Business. I have more than 25 years of corporate finance, advisory and restructuring experience. Both prior to and since joining PJT, I have provided restructuring advice to companies, creditors, shareholders, and other interested parties on restructuring transactions both in chapter 11 and on an out-of-court basis.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: VER Technologies HoldCo LLC (7239); CPV Europe Investments LLC (2533); FFAST Leasing California, LLC (7857); Full Throttle Films, LLC (0487); Maxwell Bay Holdings LLC (3433); Revolution Display, LLC (6711); VER Finco, LLC (5625); VER Technologies LLC (7501); and VER Technologies MidCo LLC (7482). The location of the Debtors’ service address is: 757 West California Avenue, Building 4, Glendale, California 91203.



3. On June 4, 2018, the Court entered the *Order Authorizing the Employment and Retention of PJT Partners LP as Investment Banker for the Debtors and Debtors in Possession Effective Nunc Pro Tunc to the Petition Date* [Docket No. 409] (the “PJT Retention Order”). At the direction of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), PJT prepared the valuation analysis (the “Valuation Analysis”) included in the *Notice of Amended Exhibit E to Debtors’ Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of VER Technologies HoldCo LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, filed on June 14, 2018 [Docket No. 468].

4. I submit this declaration in support of the *Third Amended Joint Chapter 11 Plan of Reorganization of VER Technologies HoldCo LLC and its Debtor Affiliates* dated as of July 23, 2018 [Docket No. 611] (as modified, amended, or supplemented from time to time in accordance with its terms, the “Plan”).² I have been retained by the Debtors in this matter to, among other investment banking services, provide an expert opinion on matters related to the valuation of the Reorganized Debtors.

5. Neither PJT nor I are being specifically compensated for this testimony, other than compensation to PJT as a professional services firm retained by the Debtors pursuant to the PJT Retention Order.

6. The statements in this declaration are, except where specifically noted, based on my personal knowledge or opinion, on information that I have received from the Debtors’ employees or advisors, Production Resource Group Inc. (“PRG”) (the acquirer under the Plan),

² Capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan or the Valuation Analysis, as applicable.

FTI Consulting, Inc. (“FTI”),³ or employees of PJT working directly with me or under my supervision, direction, or control.

Opinions

7. In my expert opinion, as of July 31, 2018, the Merged Entities will have an estimated combined total enterprise value of between \$1,525 million and \$1,975 million, with a midpoint of \$1,750 million.

8. The estimated range of the total enterprise value represents a valuation of the Merged Entities based on and the application of standard valuation techniques, including (a) the current market multiples method and (b) a discounted cash flow (“DCF”) analysis.⁴ PJT assigned a weighting to each valuation methodology to arrive at its estimated range of the total enterprise value to reflect PJT’s view of appropriateness of each methodology for the Merged Entities’ circumstances.

9. PJT conducted a review of possible companies whose operations could be meaningfully compared with that of the Merged Entities. PJT identified seven companies with publicly available financial information whose businesses can be considered reasonably comparable to the Merged Entities. PJT estimated such companies’ trading multiples of total enterprise value to projected full year 2018 EBITDA as of April 30, 2018 and applied a range of multiples based on the comparable market multiples to the projected 2018 EBITDA of the Merged Entities.

³ FTI was retained by Morgan, Lewis & Bockius LLP (“MLB”) to provide certain financial advisory and consulting services in relation to MLB’s representation of GSO Capital Partners LP on behalf of certain clients, funds or accounts managed, advised or sub-advised by it or its affiliates that are Prepetition Term Loan Lenders in these chapter 11 cases.

⁴ In preparing the Valuation Analysis, PJT reviewed a variety of potential analytical techniques and analyses, including those described herein. The summary of PJT’s analysis herein is not a complete description of the analyses underlying PJT’s valuation. Each analytic technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques.

10. Likewise, PJT conducted a review of possible business combination transactions for which the operations of the target companies could be meaningfully compared with that of the Merged Entities. PJT did not perform a selected transactions analysis, however, in light of the absence of recent business combination transactions in the live event services and rental industries for which sufficient publicly available information was available so as to make any meaningful comparisons.

11. PJT estimated the implied enterprise value of the Merged Entities by performing a DCF analysis of the Merged Entities. The DCF analysis consisted of calculating the estimated net present value of the unlevered, after-tax free cash flows that the Merged Entities are forecasted to generate from July 29, 2018 through December 31, 2021 based on financial projections prepared by FTI, including all expected synergies.

12. The underlying information I reviewed in preparing the Valuation Analysis was either publicly available or provided by PRG, the Debtors, and/or FTI. As part of this process, I relied on financial projections for the Merged Entities prepared by FTI for the years ending 2018 through 2021. The financial projections were prepared based on the assumption that the Effective Date will be July 29, 2018, and assume the successful implementation of PRG's business plans for the Merged Entities. I discussed with FTI and PRG the methodologies, projected cost synergies of the Merged Entities, and underlying data used by FTI to prepare the projections. Based on those discussions, I believe the financial projections were reliably prepared by FTI, and I agree with the analysis employed by FTI in doing so. In connection with my work providing restructuring, investment banking, and valuation services to companies in restructuring transactions, I frequently rely on projections and financial data provided by and prepared by other entities, and it is common for experts in my field to rely on such projections and data.

13. Attached to this declaration as **Exhibit A** is an up-to-date copy of my curriculum vitae.

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

Dated: July 24, 2018

/s/ Nick Leone

Nick Leone
Partner
PJT Partners LP

Exhibit A

Curriculum Vitae

Nicholas Leone, Partner



Nick Leone is a Partner in the Restructuring and Special Situations Group at PJT Partners.

Mr. Leone has spent more than twenty-five years in finance, advising companies in a wide range of activities including restructuring, capital raising, mergers and acquisitions.

Prior to joining PJT Partners, Mr. Leone worked at Blackstone for twenty years, serving as a Senior Managing Director. Before that, Mr. Leone worked at both Drexel Burnham and Salomon Brothers.

Mr. Leone has been involved in a variety of restructuring transactions across numerous industries. In addition to his experience advising U.S. companies, he has represented companies based in Brazil, England, France and Canada.

Mr. Leone received a BA from Columbia University and an MBA from the University of Chicago Booth School of Business.

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Mr. Leone's most notable public assignments include:

- > aaiPharma, Inc.
- > Essar Steel Algoma
- > Natural Gas Pipeline Company
- > AIG
- > Euro Tunnel
- > Nebraska Book
- > American Capital, Ltd.
- > G. Heileman Brewing Company
- > Net Serviços de Comunicação
- > American White Cross, Inc.
- > Garden Way Industries
- > NewPage
- > AMF Bowling Worldwide
- > Geneva Steel Company
- > Odebrecht Óleo e Gás
- > AngioTech Pharmaceuticals
- > GOL Linhas Aéreas Inteligentes
- > Oi S.A.
- > Araguaia
- > Granite Broadcasting Corp.
- > OGX Petróleo e Gás
- > Arch Wireless, Inc.
- > Grupo Virgolino de Oliveira (GVO)
- > PaperWorks
- > Asia Coast Development
- > Horsehead Industries, Inc.
- > School Specialty, Inc.
- > Barneys New York
- > HSH Nordbank AG
- > Simmons Bedding Company
- > BluePoint Re Limited
- > Koll Real Estate
- > Tervita
- > Capmark Financial Group, Inc.
- > Lehman Brothers Special Finance
- > Tonon Bioenergia
- > CellNet Data Systems, Inc.
- > Magna Entertainment Corp.
- > UniCapital Corporation
- > Cengage Learning
- > MBIA
- > U.S. Energy Biogas
- > Chiquita Brands Inc.
- > Merisant Company
- > WCI Steel
- > County Seat Stores
- > Mirant Corporation
- > Young Broadcasting
- > CRIIMI MAE, Inc.
- > MobileMedia Corp.
- > Quiznos
- > Delta Air Lines, Inc.
- > Molten Metal Technology
- > Energy Fuels Ltd.
- > NanoSolar