

**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> , <sup>1</sup>	)	Case No. 18-10834 (KG)
	)	
Debtors.	)	(Jointly Administered)

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**DECLARATION OF ROBERT A. DEL GENIO 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 CHAPTER 11 OF THE BANKRUPTCY CODE**

I, Robert A. Del Genio, make this declaration and state:

**Background and Qualifications**

1. I am a Senior Managing Director for Corporate Finance and Restructuring at FTI Consulting, Inc. (together with its wholly owned subsidiaries, agents, independent contractors and employees, “FTI”), an independent global business advisory firm with expertise in a range of corporate finance advisory services, including restructuring advisory services. FTI was retained by Morgan, Lewis & Bockius LLP (“Morgan Lewis”) to provide financial advisory and consulting services in relation to Morgan Lewis’ representation of GSO Capital Partners LP.

2. I have more than 30 years of experience in restructuring and mergers and acquisitions and have advised companies, lenders, creditors, corporate boards, and equity sponsors across a diverse range of industries both domestically and internationally. I have

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<sup>1</sup> 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.



assisted clients both in and outside of Chapter 11, designed and evaluated financing packages and presentations to various types of lenders and equity investors and acted as financial advisor to boards of directors and/or principal shareholders in the purchase or sale of numerous businesses. In particular, I have advised companies and lenders/investors in entertainment and media-related reorganizations, including The Weinstein Company (CRO), Panavision (interim CEO), Penton Media, F+W (CRO), RHI Entertainment (CRO), LodgeNet, Dial Global, Black Crow Media, ICBC Broadcast Holdings and International Management Group (which owned IMG Media). I also advised the following companies and lenders/investors: A&P, Buffets/Ovation, Aerogroup International, Carauster Inc., Central Products Corporation, CEVA Group, Charming Charlie, CHC Group, CST Industries, Dial Global, Essar Steel Algoma, Factory Card Outlet Corp., Ferro Corp., Finish Line, Hostess Brands, Logan's Roadhouse, Noranda Aluminum, Malden Mills, Meridian Automotive, MicroAge, Milacron, Panolam, Reichhold, Sangamon, Inc., Sbarro, Sequa Corporation, Sharper Image, Sydran (Burger King/Chili's), Talley Industries, Transtar, UCI International, Unisource, USinternetworking, Inc., Verso Paper, Vertis, Inc., Washington Group International, Wheeling-Pittsburgh Steel and X-Rite, Inc. I currently serve on the board of directors of Panavision, Inc. and have previously served on the board of Washington Group International, Inc., CHC Group Ltd., Lazare Kaplan International, Inc. and Buffets, Inc. I also serve on the University of Notre Dame Undergraduate Experience Advisory Council. Further information on my professional background is available on FTI's website at <http://www.fticonsulting.com/our-people/robert-del-genio>.

3. I am over the age of 18, suffer no legal disability, and am competent to make this declaration. I am duly authorized to make and submit this declaration on behalf of FTI 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 Chapter 11 of the Bankruptcy Code* dated as of July 23, 2018 [Docket No. 611] (as the same may be supplemented or amended from time to time in accordance with its terms, the “Plan”).<sup>2</sup>

4. Neither FTI nor I are being specifically compensated for this testimony, other than compensation to FTI as a professional services firm retained by Morgan Lewis.

5. Unless stated otherwise, my testimony herein is based upon my personal knowledge or opinion, my review of relevant documents and pleadings, information that I have received from the Debtors’ employees or advisors, PRG, or employees of FTI working directly with me or under my supervision, direction, or control.

#### **Evaluation of the Plan**

6. I understand that, pursuant to the Plan, the Merger will be effectuated on the Effective Date in accordance with the Restructuring Support Agreement. PRG’s management team, utilizing baseline projections from the Debtors and adding its own projections, prepared the combined company’s financial performance through fiscal year 2021 (the “Financial Projections”). I have reviewed the Financial Projections and performed due diligence with respect to the information and assumptions underlying the Financial Projections, and I agree with the analyses and assumptions employed. The Financial Projections have been prepared based on the assumption that the Effective Date is on or shortly after July 29, 2018, and assume the successful implementation of the Reorganized Debtors’ and PRG’s business plans for the combined company. The Financial Projections are based on, among other things, the following: (a) current and projected market conditions in each of the Debtors’ and PRG’s respective markets; (b) a combined equipment asset base valued at approximately \$2.4 billion of original

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan.

equipment cost; (c) diverse customer base with minimal customer concentration; (d) realization of operating expense savings; (e) the ability to maintain sufficient working capital to fund operations; and (f) consummation of the Merger in accordance with the Plan.

7. I believe that the Financial Projections demonstrate that the Reorganized Debtors will be able to meet their obligations under the Plan, including the payment of any cure costs, any short-term obligations following the consummation of the Plan, and any ongoing obligations that arise in the ordinary course of business.

8. *First*, I believe that the combined company will have enhanced service capabilities, which are expected to result in increased profitability due to its complimentary service offerings, diverse customer base and cost savings opportunities. The combined company will have a large fleet of high-quality, valuable assets making it a global leader in the provider of production equipment and technical solutions and services. It will have a global footprint, with a presence in fourteen (14) countries on five (5) continents, providing global consistency and continuity for its clients operating in corporate, media, entertainment and special events. It will have a scalable asset base allowing for global and regional resource pooling for large special events. It has unique proprietary technology for staging, lighting, audio and video integrations, and it has the technical expertise to provide comprehensive end-to-end solutions for its customers. The combined company will benefit from an experienced workforce who are leaders in this field. Many of its markets have long-term relationships or regularly scheduled events leading to repeat business and high customer loyalty. Additionally, management has identified substantial opportunities for operating expense savings, such as procurement scale advantages, consolidating facilities and streamlining corporate overhead. Management from both the Debtors and PRG have made significant efforts to prepare plans to integrate and combine the

businesses upon the Debtors' successful emergence from Chapter 11.

9. *Second*, the Plan contemplates that the Debtors will receive an infusion of liquidity through the New Investments for distributions under the Plan. The New Investments, which include a new \$100 million unfunded revolving facility, a \$965 million term loan facility, and an equity investment of approximately \$180 million, will ensure that the Reorganized Debtors have sufficient funding to operate and meet ordinary course obligations. The New Investments are in near-final form, and I expect they will be finalized prior to the Effective Date. Although the Plan contemplates the New Investments, the Plan also contemplates eliminating approximately \$760 million in funded debt, which will result in the Reorganized Debtors emerging from chapter 11 with a sustainable capital structure. I believe that as a result of the projected increased revenue, the cost-saving synergies of the Reorganized Debtors, the New Investments, and the Debtors' existing liquidity, the Reorganized Debtors post-Merger—*i.e.*, the combined company—will be well-positioned financially to satisfy their obligations under the Plan and any obligations that arise in the ordinary course.

10. Based upon my understanding of the Plan, the information received from the Debtors' and PRG's management, advisors and counsel, and my experience with the Debtors' and PRG's business and industry, I believe that the Debtors' Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors or any successor thereto. For the foregoing reasons, I believe implementing the Plan provides a reasonable assurance of success.

*[Remainder of page intentionally left blank]*

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

Dated: July 24, 2018

Respectfully submitted,

*/s/ Robert A. Del Genio*

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Robert A. Del Genio  
Senior Managing Director, FTI Consulting,  
Inc.