

1 Victor A. Sahn (CA Bar No. 97299) \_  
victor.sahn@gmlaw.com  
2 Mark S. Horoupian (CA Bar No. 175373)  
mark.horoupian@gmlaw.com  
3 Steven F. Werth (CA Bar No. 205434)  
steven.werth@gmlaw.com  
4 Greenspoon Marder LLP  
a Florida limited liability partnership  
5 333 South Grand Ave., Suite 3400  
Los Angeles, CA 90071  
6 Telephone: 213.626.2311  
Facsimile: 213.629.4520  
7  
8 Attorneys for Spring Mountain  
Vineyard Inc.

9 **UNITED STATES BANKRUPTCY COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SANTA ROSA DIVISION**

12 In re:  
13 SPRING MOUNTAIN VINEYARD INC., a  
Delaware corporation,  
14 Debtor.  
15  
16 Federal EIN: 36-3844911  
17

Case No.

Chapter 11

**DECLARATION OF PETER EKMAN IN  
SUPPORT OF DEBTOR'S MOTION FOR  
AUTHORIZATION TO USE CASH  
COLLATERAL AND RESPECTING  
VALUE OF DEBTOR'S WINE  
INVENTORY**

Hearing:

Date: October 6, 2022  
Time: 3:00 p.m.  
Place: U.S. Bankruptcy Court  
Courtroom  
99 South "E" Street  
Santa Rosa, CA 95404

23  
24 I, Peter Ekman, hereby declare:

25 1. I am over the age of twenty-one (21) years and am not a party to this action. I  
26 submit this Declaration in support of the Debtor's Motion for Authorization to Use Cash  
27 Collateral. I submit this Declaration based upon my personal knowledge and if called as a  
28 witness, would testify completely to each of the matters stated herein under the penalty of perjury.

1 I submit this Declaration regarding the value of the Debtor's wine inventory as more fully  
2 described below.

3           2. I am a successful winery, technology and e-commerce Chief Executive Officer with  
4 substantial experience working on company boards. I have decades of expertise in business  
5 development, profitable growth, successful turnarounds, and restructuring projects in the wine  
6 industry. Successful restructuring projects include B.R. Cohn Winery, Crushpad Inc., Cosentino  
7 Winery, Bounty Hunter Wine, and the restructuring and re-start of Wine.com, the largest  
8 eCommerce company in the wine industry. I provide my clients with a unique and powerful  
9 combination of financial acumen, creative strategic thinking, operations management,  
10 restructuring and turnaround expertise. I have been employed by the Chapter 11 Debtor in this  
11 bankruptcy case to provide these services and am working with the Getzler Henrich, LLC, a  
12 management and consulting firm to bring about a successful reorganization of the Debtor's  
13 business.

14           3. I was born and raised in Sweden, and started my career first as a trainee for Nestle  
15 in Europe followed by eight years in finance and sales with Procter & Gamble in Europe. I  
16 relocated to the Bay Area in 1997, where I started employment in the wine industry. I spent five  
17 years at Louis Vuitton Moet Hennessy (LVMH) in Napa and San Francisco. Since then, I have  
18 held C-suite positions at cutting-edge wine companies, including roles as turnaround Chairman &  
19 CEO at Bounty Hunter Wine, chief business development officer at Vivino, restructuring CEO of  
20 Crushpad and turnaround CEO of Wine.com. I received my B.S. in Economics and Finance from  
21 the University of Orebro, Sweden and am fluent in English, Swedish, Norwegian and Danish.

22           4. The Debtor maintains an inventory of its wines, with which I am familiar. The  
23 inventory includes wines dating back to 1979 vintages. This inventory is updated each month so  
24 that sales over the prior month of inventory are reflected in the subsequent month's updated  
25 inventory. Among other things, this inventory is provided to MGG California, LLC ("MGG")

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1 each month as these reports are generated.<sup>1</sup>

2 5. As my credentials above indicate, I have substantial experience in the wine industry  
3 in Northern California, having spent most of my career in it since coming to Northern California  
4 in 1997. In the course of my work at Bounty Hunter Wine, Vivino, Crushpad and Wine.com, I  
5 have a lot of experience with wine inventories, how they are sold and how they are priced and how  
6 experts value them.

7 6. The inventory is sorted by two categories of pricing. The first is "FOB" which are  
8 the wholesale prices that the wine inventory could be sold to wine wholesalers. The second  
9 category are the retail prices at which the wine inventory can be sold to wine club members, online  
10 or to customers who come to the winery on wine tours. Based upon the pricing in the inventory,  
11 which is consistent with prices that have been paid by the Debtor's retail and wholesale customers  
12 in the past, the Debtor's wine inventory has a current wholesale value of \$80 Million and a retail  
13 value of \$160 Million.

14

15 I declare the matters stated herein to be true under the penalty of perjury.

16 Executed this 3rd day of October, 2022 at San Rafael, California.

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\_\_\_\_\_  
Peter Ekman

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28 <sup>1</sup> The inventory contains confidential and proprietary wholesale pricing information, and as such has not been included as an Exhibit to this Declaration.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 333 South Grand Avenue, Suite 3400, Los Angeles, CA 90071.

A true and correct copy of the foregoing document entitled (*specify* DECLARATION OF PETER EKMAN IN SUPPORT OF DEBTOR'S MOTION FOR AUTHORIZATION TO USE CASH COLLATERAL AND RESPECTING VALUE OF DEBTOR'S WINE INVENTORY) will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) October 4, 2022 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page.

**2. SERVED BY UNITED STATES MAIL:**

On (date) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page.

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) October 4, 2022, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

October 4, 2022

Date

Patricia Dillamar

Printed Name

/s/Patricia Dillamar

Signature

CC 51988413v1 CC 51988413v1 This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

June 2012

**F 9013-3.1.PROOF.SERVICE**

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**ADDITIONAL SERVICE INFORMATION** (if needed):

**1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)**

Office of the U.S. Trustee / SR  
USTPRegion17.SF.ECF@usdoj.gov

Elvina Rofael on behalf of U.S. Trustee Office of the U.S. Trustee / SR  
elvina.rofael@usdoj.gov, Katina.Umpierre@usdoj.gov, GemMil.Langit@usdoj.gov

Victor A. Sahn on behalf of Debtor Spring Mountain Vineyard Inc.  
victor.sahn@gmlaw.com, vsahn@ecf.inforuptcy.com

Phillip John Shine on behalf of U.S. Trustee Office of the U.S. Trustee / SR  
phillip.shine@usdoj.gov

**3. SERVED BY OVERNIGHT MAIL AND EMAIL**

**Debtor**

Spring Mountain Vineyard Inc.  
2805 Spring Mountain Road  
St. Helena, CA 94574-1798  
Attn: Don Yannias, President  
email: [don@bimi.com](mailto:don@bimi.com)

**Debtor's Financial Advisor And Chief Restructuring Officer**

Attn: Kevin A. Krakora, Managing Director  
Getzler Henrich & Associates LLC, a Hilco Global Company  
150 S. Wacker Drive | 24<sup>th</sup> Floor  
Chicago, IL 60606  
Tel: (312) 283-8071  
email: [kkrakora@getzlerhenrich.com](mailto:kkrakora@getzlerhenrich.com)

**U.S. Trustee**

Tracy Hope Davis  
United States Trustee for Region 17  
Office of The United States Trustee  
450 Golden Gate Avenue, 5th Floor, Suite #05-0153  
San Francisco, CA 94102  
Tel: (415) 705-3300

**Attorneys For U.S. Trustee**

Office of the United States Trustee  
Attn: Elvina Rofael  
450 Golden Gate Ave., Rm. 05-1053  
San Francisco, California 94102  
email: [Elvina.Rofael@usdoj.gov](mailto:Elvina.Rofael@usdoj.gov)  
Tel: (415) 705-3333

Office of the United States Trustee  
Attn: Phillip J. Shine  
280 South First Street, Rm. 268  
San Jose, CA 95113  
email: [phillip.shine@usdoj.gov](mailto:phillip.shine@usdoj.gov)  
Tel: (408) 535-5526

**Secured Creditors**

MGG (BV) Limited  
MGG Canada Fund LP  
MGG Insurance Fund Series Interests of t  
MGG Investment Group LP  
MGG Onshore Funding I LLC  
MGG SF Drawdown Master Fund (Cayman) LP  
MGG SF Drawdown Unlevered Fund II LP  
MGG SF Drawdown Unlevered Fund LP  
MGG SF Drawdown Unlevered Master Fund I  
MGG SF Evergreen Unlevered Fund LP  
MGG SF Evergreen Master Fund (Cayman) LP  
MGG SF Evergreen Unlevered Fund LP  
MGG SF Evergreen Unlevered Master Fund I  
MGG Specialty Finance Fund I LP  
MGG Specialty Finance Fund LP

c/o MGG California, LLC  
One Penn Plaza 53rd Fl  
Attn Kevin F. Griffin, CEO  
New York, NY 10119-0002  
Tel: (212) 356-6100  
[creditagreementnotices@mginv.com](mailto:creditagreementnotices@mginv.com)

MGG Investment Group LP  
One Penn Plaza 53rd Fl  
Attn Kevin F. Griffin, CEO  
New York, NY 10119-0002  
Tel: (212) 356-6100  
[creditagreementnotices@mginv.com](mailto:creditagreementnotices@mginv.com)

**Counsel for Secured Creditors**

Bradley R. Bobroff, Esq.  
Proskauer Rose LLP  
Eleven Times Square  
New York, NY 10036-8299  
Tel: (212) 969-3643  
email: [bbobroff@proskauer.com](mailto:bbobroff@proskauer.com)

Scott P. Cooper, Esq.  
Proskauer Rose LLP  
2029 Century Park East, Suite 2400  
Los Angeles, California 90067-3010  
Tel: (310) 284-5669  
email: [scooper@proskauer.com](mailto:scooper@proskauer.com)

Frederic Ragucci, Esq.  
Proskauer Rose LLP  
Eleven Times Square  
New York, NY 10036-8299  
Tel: (212) 969-3023  
email: [FRagucci@proskauer.com](mailto:FRagucci@proskauer.com)

Jeff. J. Marwil, Esq.  
Proskauer Rose LLP  
70 W. Madison  
Suite 3800  
Chicago, IL 60602-4342  
email: [jmarwil@proskauer.com](mailto:jmarwil@proskauer.com)

**20 Largest Unsecured Creditors**

Allen Group  
Attn: Timothy Allen, CPA - Managing Partner  
120 Stony Point Road, #230  
Santa Rosa, CA 95401  
(707) 528-3860  
[tim@allenwine.com](mailto:tim@allenwine.com)  
[Tim@allengroupllp.com](mailto:Tim@allengroupllp.com)  
Brent Garrison  
[Brent@allengroupllp.com](mailto:Brent@allengroupllp.com)

Bartelt Engineering  
Attn: Paul Bartelt  
303 Jefferson St #200B  
Napa, CA 94559  
(707) 258-1301

Belkorp AG, LLC  
Attn: Laura Correll, Accounting  
2413 Crows Landing Rd  
Modesto, CA 95358  
(209) 205-3706  
[ar@belkorpag.com](mailto:ar@belkorpag.com)

Brown's Auto Parts  
Attn Dan Beltramai, Owner  
1218 Main St.  
Saint Helena, CA 94574-1901  
(707) 963-3638

[brownsauto169@gmail.com](mailto:brownsauto169@gmail.com)

Castino Restaurant Equipment And Supply  
50 Utility Ct.  
Rohnert Park, CA 94928-1659  
(707) 585-3566  
[sales@castinosolutions.com](mailto:sales@castinosolutions.com)

Central Valley  
Attn: Gerry Cruz, Accounting Mgr.  
1100 Vintage Avenue.  
Saint Helena, CA 94574  
707 261-1900  
[gerryrc@centralvalley.com](mailto:gerryrc@centralvalley.com)

Chubb Group of Insurance Companies  
P.O. Box 777-1630  
Philadelphia, PA 19175-0001  
(800) 372-4822

Conway Beverage Group, LLC  
Db: Elite Brands  
3238 Old Heather Rd.  
San Diego, CA 92111-7716  
Attn: Mr. Jay Conway

Famille Sylvain  
855 Bordeaux Way #239  
Napa, CA 94558-7549  
(707) 492-3308

Francois Freres USA Inc.  
1403 Jefferson St.  
Napa, CA 94559-1708  
(707) 294-2204

G3 Enterprises Inc.  
(Tapp Labels)  
580 Gateway Dr.  
Napa, CA 94558  
(707) 252-8300

IPFS  
49 Stevenson St. #127  
San Francisco, CA 94105-2909  
(877) 687-9826

Napa County Treasurer  
1195 3rd St. #108  
Napa, CA 94559-3035



(707) 253-4311

Napa Ford Lincoln  
170 Soscol Ave.  
Napa, CA 94559  
(707) 255-2580

Napa Valley Petroleum  
P.O. Box 2670  
Napa, CA 94558-0528  
(707) 252-6888

Ramondin U.S.A. Inc.  
541 Technology Way  
Napa, CA 94558  
(707) 944-2277

Stanzler Law Group  
Attn: Jordan S. Stanzler  
390 Bridge Pkwy #220  
Redwood City, CA 94065  
(650) 739-0200  
email: [Jstanzler@stanzlerlawgroup.com](mailto:Jstanzler@stanzlerlawgroup.com)

Tonnellerie Sylvain  
855 Bordeaux Way  
Napa, CA 94558  
(707) 492-3308

Wilbur Ellis Company LLC  
c/o Registered Agent Solutions Inc.  
720 14th St.  
Sacramento, CA 95814-1905  
(707) 963-3495

Wine Service Cooperative  
1150 Dowdell Lane  
Saint Helena, CA 94574  
Attn: Bob Holmes  
General Manager  
Tel: (707) 963-9474  
Fax: (707) 963 9359  
[bob@wineservicecoop.com](mailto:bob@wineservicecoop.com)

**Critical Vendor**

C Q & A Consulting  
P.O. Box 777  
Pinole, CA 94564  
Attn: Deanna Leon

Tel: (510) 964-7901  
Fax: (510) 223-8140  
email: [dleon@cqaconsult.com](mailto:dleon@cqaconsult.com)

**Request for Special Notice**

Attorneys for Mt. Hawley Insurance Company  
Michael D. Prough  
Dean C. Burnick  
Prough Law, APC  
1550 Parkside Drive, Suite 200  
Walnut Creek, CA 94596  
T: (925) 433-5894  
F: (925) 482-0929  
Email: [mdp@proughlaw.com](mailto:mdp@proughlaw.com)  
[dcb@proughlaw.com](mailto:dcb@proughlaw.com)

Dept. of the Treasury, Alcoholic Beverage Control  
Attn: Tracie Parker, Lic. Rep. I  
50 D Street Room 130  
Santa Rosa, CA. 95404  
Phone: (707) 576-2165  
Fax: (707) 638-9537

Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346  
(800) 973-0424

California Department of Tax and Fee Administration  
Special Operations Bankruptcy Team MIC: 74  
P.O. Box 942879  
Sacramento, CA 94279-0074  
(800) 400-7115

Franchise Tax Board  
Bankruptcy Section, MS A-340  
P.O. Box 2952  
Sacramento, CA 95812-2952  
916-845-4750

Employment Development Department  
Bankruptcy Unit-MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280-0001

Service by Mail Address:  
Employment Development Department  
Attn: MIC 53  
800 Capital Mall  
Sacramento, CA 95814

## Courtesy Email

Jay B. Spievack, Esq.  
Cohen Tauber Spievack & Wagner P.C.  
420 Lexington Ave., Suite 2400  
New York NY 10170-2499  
email: [jspievack@ctswlaw.com](mailto:jspievack@ctswlaw.com)

Joseph Vann, Esq.  
Cohen Tauber Spievack & Wagner P.C.  
420 Lexington Ave., Suite 2400  
New York NY 10170-2499  
email: [jvann@ctswlaw.com](mailto:jvann@ctswlaw.com)

Will Densenberger  
Engel & Volkers St. Helena - Napa Valley  
1111 Main Street, Suite A  
St. Helena, CA 94574  
(707) 302-8133  
email: [will@nvwineestates.com](mailto:will@nvwineestates.com)

John C. Vaughan  
Newmark Knight Frank  
4675 MacArthur Court, Suite 1600  
Newport Beach, CA 92660  
email: [john.vaughan@nmrk.com](mailto:john.vaughan@nmrk.com)

Peter Ekman: [PEkman@hilcoglobal.com](mailto:PEkman@hilcoglobal.com)

Mark Kasowitz: [MKasowitz@kasowitz.com](mailto:MKasowitz@kasowitz.com)

Gavin D. Schryver: [GSchryver@kasowitz.com](mailto:GSchryver@kasowitz.com)