IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
GST, INC.,[1]	Case No. 25-12188 (KBO)
Debtor.	Objection Deadline: Shortened Notice Requested Hearing Date: Shortened Notice Requested

MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR AN ORDER GRANTING STANDING AND AUTHORIZATION TO COMMENCE AND PROSECUTE CERTAIN CLAIMS ON BEHALF OF THE DEBTOR'S ESTATE

The Official Committee of Unsecured Creditors (the "Committee") appointed in the Chapter 11 case of the above-captioned debtor and debtor-in-possession (the "Debtor"), by and through its undersigned co-counsel, hereby submits this motion (the "Motion") for an order granting the Committee standing and authority to commence, prosecute, and (if necessary) settle certain claims and causes of action against the Debtor, its Officers (defined herein), the Board Members (defined herein), and Winners (defined herein) based upon the allegations set forth in the proposed complaint attached hereto as **Exhibit 1** (the "Complaint"),[2] and in support of the Motion respectfully states as follows:

PRELIMINARY STATEMENT

1. Upon its appointment and in furtherance of its fiduciary duties, the Committee began an investigation of various parties, including, without limitation, the (i) Debtor, (ii) each of Michael Johnson ("Mr. Johnson"), Stephen Gera ("Mr. Gera") and Vivek Khanna ("Mr. Khanna", and with Mr. Johnson and Mr. Gera, each an "Officer", and collectively, the "Officers"), (iii) Mr.

[1] The last four digits of the Debtor's taxpayer identification number are 1002. The Debtor's corporate headquarters and service address is 322 Culver Boulevard, Suite 150, Playa Del Rey, CA 90293.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Complaint. The Committee reserves its right to modify the form of the Complaint prior to filing.

Johnson, Mr. Gera, Ahmad Nassar ("Mr. Nassar"), Eric Winston ("Mr. Winston"), Mr. Khanna, and Robert Smith ("Mr. Smith" and Mr. Johnson, Mr. Gera, Mr. Nassar, Mr. Winston, Mr. Khanna, and Mr. Smith, each, a "Board Member" and collectively, the "Board"), and (iv) Winners Alliance, Inc. ("Winners Alliance" and together with the Debtor, the Officers, and the Board Members, the "Defendants"), as necessitated by the imposition of a "Challenge Period" in the Final DIP Order (defined herein). The Committee requested extensive discovery from the Debtor, and received documentation in response to certain of its requests. As evidenced by the Complaint, the Committee's investigation has identified significant claims and causes of action against the Defendants that, upon successful prosecution, will generate substantial value for the Debtor's estate and its unsecured creditors. Provided that this Court approves the Committee's Motion authorizing it to pursue the Complaint, these claims and causes of action will potentially result in millions of dollars being made available for distribution to creditors of the estate, thereby materially enhancing creditor recoveries.

2. As set forth in the Complaint, the claims and causes of action against the Defendants identified by the Committee include the following:

a. A determination that Winners Alliance breached its fiduciary duty owed to the Debtor;

b. A determination that Winners Alliance aided and abetted the breach of fiduciary duties owed by the Board Members and Officers to the Debtor;

c. Promissory estoppel against Winners Alliance for its misrepresentations of its promises to the Debtor;

d. Fraudulent inducement against Winners Alliance for its misrepresentations and promised funding to the Debtor;

e. Avoidance of a constructive and actual fraudulent transfer against Mr. Johnson for the $500,000 payment made to him by the Debtor, and the avoidance of the obligations under a promissory note issued by the Debtor for inadequate consideration;

f. Avoidance of an insider preference against Mr. Johnson for the $500,000 payment made to him by the Debtor during the one year period preceding the Petition Date;

g. A determination that Mr. Johnson breached his fiduciary duty owed to the Debtor;

h. A determination that the Board Members and Officers breached their fiduciary duties owed to the Debtor;

i. A determination that the Board Members and Officers aided and abetted the breach of fiduciary duties owed to the Debtor;

j. A determination that Winners Alliance used the Debtor as a mere instrumentality and the corporate veil should be pierced rendering Winners liable for the debtor of the Debtor;

k. Equitable Subordination of Winners Alliance's secured and unsecured claims against the Debtor; and

l. Recharacterization of amounts funded by Winners Alliance to the Debtor as "debt" to equity investments.

3. In these circumstances, granting the Committee standing to file and pursue the Complaint is particularly appropriate since the Debtor has stipulated to Winners Alliance's claims and is unable to assert the significant valuable claims detailed in the draft complaint. Accordingly, the Committee respectfully requests that the Court grant this Motion.

JURISDICTION AND PREDICATES FOR RELIEF

4. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334(b) and the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware referring all cases and proceedings under the Bankruptcy Code to the Bankruptcy Judges of this District.

5. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

6. Venue before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The predicates for the relief sought herein are 11 U.S.C. §§ 105, 502, 506, 510, 544, 547, 548, 550, and 551, the *Interim Order (I) Authorizing the Debtor to (A) Obtain Senior Secured*

Postpetition Financing and (B) Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Status; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief [D.I. 31] (the "Interim DIP Order"), and the *Final Order (I) Authorizing the Debtor to (A) Obtain Senior Secured Postpetition Financing and (B) Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Status; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [D.I. 94] (the "Final DIP Order").

BACKGROUND

I. General

8. On December 11, 2025 (the "Petition Date"), the Debtor commenced a voluntary case for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtor continues to manage and operate its business as Debtor-in-Possession under Bankruptcy Code §§ 1107 and 1108.

9. On January 13, 2026 (the "Formation Date"), the Office of the United States Trustee for the District of Delaware appointed three (3) of the Debtor's largest creditors to serve as members of the Committee. *See Notice of Appointment of Committee of Unsecured Creditors* [D.I. 51]. The current members of the Committee include: (i) Momentum-CHP Partnership, (ii) Girraphic Park Ltd., and (iii) SRK Strategies. *Id.* Shortly thereafter, the Committee retained Thompson Coburn LLP to serve as its counsel and Chipman Brown Cicero & Cole, LLP to serve as its Delaware counsel.

10. In connection with the bankruptcy filing, the Debtor filed the Rubin Declaration which sets forth a partial history of the Debtor both preceding and following its formation

culminating in the bankruptcy filing. *See* D.I. 14. During the Committee's investigation, the Committee obtained and received documentation showing how pervasive Winners Alliance was in the formation, execution, and ultimately the failure of, the Debtor. While the Debtor presents Winners Alliance as merely an investor and secured and unsecured creditor, the facts uncovered by the Committee show that, in fact, the Debtor was a mere instrumentality of Winners Alliance and Winners Alliance is using the Debtor's corporate form solely to evade its own responsibility for the Debtor's failure.

11. Winners Alliance bills itself as an athletes collective "built to solve the fragmentation of athletes rights." Winners Alliance CEO is Mr. Nassar and its CFO and COO is Mr. Khanna. Bill Ackman, the CEO of Pershing Square Capital Management, L.P. serves as the Chairman of the Board of Winners Alliance. *See* https://www.winnersalliance.com/about/.

12. Beginning in late August 2023, Mr. Johnson, Mr. Gera, and representatives of Winners Alliance explored a potential collaboration under which Winners Alliance would assist with diligence, operational development, and fundraising. It was anticipated that Winners Alliance would assist the Debtor with its capital needs by both directly providing capital and assisting the Debtor with fundraising. On September 26, 2023, the parties executed a non-binding term sheet (the "Winners-GST Term Sheet") reflecting an intent to collaborate on diligence, operational planning, and early-stage development. Rubin Decl. ¶ 18.

13. As part of the Winners-GST Term Sheet, Winners Alliance stated that it "is willing to fund the work needed to properly diligence and scale GST." Additionally, Winners Alliance stated that it "will provide all diligence and needed skills to create this entity including, but not limited to: financial diligence (internal and external), operations consulting, and fundraising."

14. As part of this process, Winners Alliance retained Two Circles Ltd. ("Two Circles"), a third-party sports consultancy, to assist with market analysis, product design considerations, and commercial strategy. Throughout the fall of 2023, Mr. Johnson, Mr. Gera, Winners Alliance, and external advisors participated in planning sessions to refine the proposed competition format, athlete engagement model, event cadence, and preliminary commercial assumptions. Rubin Decl. ¶ 19.

15. Specifically, on October 30, 2023, Winners Alliance entered into a consulting services agreement with Two Circles whereby Winners Alliance agreed to pay over $1 million to Two Circles for the purposes of, among other things, developing a business model for the Debtor.

16. Following months of work on the part of Winners Alliance and consultants it engaged, on December 28, 2023 the Debtor was incorporated in Delaware.

17. In the first quarter of 2024, the Debtor and Winners Alliance negotiated the terms of Winners Alliance's investment in the Debtor. An initial outline of the investment (the "Investment Outline") noted that in addition to the $7 million preferred stock investment, Winners Alliance would provide the Debtor with a $25,000,000 line of credit to be used from October 1, 2024 for a period of at least a year. The Investment Outline contemplated that any amounts drawn on the line of credit would convert into a "SAFE" (simple agreement for future equity) instrument. Despite this being a material part of the Investment Outline, and despite the fact that all of the business models developed for the Debtor reflected the need for approximately $30 million in additional cash to complete a single season, Winners Alliance never stepped forward to honor its commitment and provide this liquidity, and only provided smaller amounts on more onerous terms, including taking security in all of the Debtor's assets.

18. On April 12, 2024, the Debtor completed a seed financing transaction with Winners Alliance, consisting of $7 million in preferred equity and $6 million pursuant to a SAFE investment. Rubin Decl. ¶ 22. Again, at the time of this investment, it was known that $13 million would be insufficient to allow the Debtor to complete a single season of four (4) scheduled events. As part of the documentation evidencing Winners Alliance's investment, Winners Alliance, along with Mr. Johnson are referred to and defined together as "Founders" of the Debtor. Following this investment, Winners Alliance owned 46% of the voting shares of the Debtor, with Mr. Johnson owning the remaining 54%.

19. Following the seed financing, the Debtor hired full-time staff, executed athlete contracts to ensure athlete attendance and participation at competitions, and prepared for launch. From mid-2024 through early 2025, the Debtor executed broadcast agreements covering the United States, Europe, and more than 205 territories globally, and entered into multiple sponsorship agreements. The Debtor's inaugural season was scheduled to begin in April 2025. Rubin Decl. ¶ 23.

20. Following Winners Alliance's formal investment on April 12, 2024, Khanna, an officer of Winners Alliance, also served as the Debtor's Acting CFO from April 12, 2024 through December 10, 2025.

21. Pursuant to the Stockholder Agreement executed in connection with the seed financing, Winners Alliance also always had two (2) of its officers serve on the Board at all times following its investment. Mr. Nassar served on the Board from April 12, 2024 through December 10, 2025. Mr. Winston, the former President of Winners Alliance, served on the Board from April 12, 2025 through July 23, 2025. Upon his resignation, Mr. Khanna filled his Board seat from July 23, 2025 through December 10, 2025.

22. On June 19, 2024, the Debtor issued a press release announcing the launch of the Debtor's business. *See* https://www.grandslamtrack.com/news/us-olympic-hero-michael-johnson-launches-grand-slam-track-1. In the press release, the Debtor stated that it had "secured more than $30 million in financial commitments from investors and strategic partners for the launch of the league." *Id*. However, at the time it made this statement, Winners Alliance had only invested $13 million in the Debtor. There are no Board minutes, which reflect the authorization of the release of this statement; however, this press release was public and posted on the Debtor's website so the Board and Winners Alliance were aware that the Debtor was informing the public that they had committed capital of $30 million, which was consistent with the Investment Outline.

23. Upon information and belief, Mr. Gera and Mr. Johnson repeatedly pointed to the press release as proof that the Debtor had adequate funding when negotiating with the Debtor's creditors, even though at the time they were aware that the Debtor did not.

24. At the end of 2024, before any of the Debtor's "Slams" had taken place, the Debtor had spent a significant portion of Winners Alliance's $13 million initial investment and was left with less than $5.5 million in cash to begin 2025. The Debtor's own internal projections showed that this amount of cash was insufficient to even get through a single track meet even if the Debtor hit its revenue target.

25. As the Debtor entered into vendor and athlete contracts in 2025, it did not have sufficient capital or financing to pay the amounts they were incurring, and without access to financing the Debtor was insolvent prior to commencing any of their events.

26. Moreover, the Debtor's own internal projections, shared with potential investors, showed that the Debtor expected to lose $27 million in 2025, despite also projecting $14.5 million in revenue. In fact, the Debtor's business model projected negative EBITDA in 2026 even when

revenue was projected to reach $55 million. In its investor presentations, the Debtor did not expect to be profitable, under its projections, until 2027 when revenue was forecasted to reach $89.7 million. Even at that lofty number, EBITDA was only projected to be $2.2 million. Put differently, the Debtor and Winners Alliance knew that significant additional investments were required to fund the business, and the business could not sustain itself based on the projected revenues under their internal budget forecast. The Debtor and Winners Alliance created and knowingly implemented a business model that required significant cash outlays, and the Debtor's only source of working capital beyond the initial seed investment was the potential $25 million line of credit from Winners Alliance set forth in the Investment Outline.

27. Despite the unrealistic overly optimistic revenue projections, the Debtor only generated a paltry $1.8 million in revenue for 2025 despite completing three "Slam" events, far short of the projected $14.5 million in revenue that was necessary to narrow the losses to $27 million. *See* Statement of Financial Affairs, Part 1, [D.I. 68].

28. The Debtor actively solicited new investors in the first quarter of 2025, with their third-party investment banker PJT Partners ("PJT") contacting over 150 potential investors. Rubin Decl. ¶ 26. On March 14, 2025, as part of this fundraising process, the Debtor entered into a non-binding term sheet with Eldridge Industries ("Eldridge") that contemplated a potential Series A investment. Rubin Decl. ¶ 28. The term sheet contemplated an April 1, 2025 closing with an initial investment of $30 million to be followed by an additional $10 million investment to be funded in the fourth quarter of 2025.

29. Despite the targeted closing date being several days before the first scheduled event in Kingston, Jamaica on April 4-6, 2025, Eldridge did not consummate an investment before the event. On April 11, 2025, following the first event, Eldridge informed the Debtor that it would

not proceed with its proposed investment, leaving the Debtor without any committed institutional capital source. Rubin Decl. ¶ 41. Despite the lack of funds, upon information and belief, Winners Alliance instructed the Debtor to proceed with their next two events on May 2-4 (Miami) and May 30-June 1 (Philadelphia) in order to protect their equity investment despite the inability to pay athletes their appearance fees, pay the prize money to the winners of the races or pay the trade creditors for services being performed at their direction. Specifically, at these two (2) events, the Debtor (i) knew it did not have sufficient resources to pay the athletes for appearance fees and prize money and (ii) knew it did not have sufficient resources to pay for the production and associated costs of conducting these events. The Debtor also incurred significant debt refurbishing the track used at the meeting, even though it knew that it would not be able to pay the contractor for the work.

30. As a result of proceeding with two (2) events without sufficient capital and committed third-party financing, and potentially illegally promising athletes prizes for winning events, for the first six months of 2025, the Debtor lost $37.2 million. Had the Debtor ceased operations after learning that Eldridge was not moving forward with the proposed investment, the Debtor would have significantly reduced the amount it owed all of its creditors. However, Winners Alliance prioritized its equity investment over prudent financial management and despite only committing limited additional funds to the Debtor proceeded to actively encourage the Debtor to worsen its financial position and deepen its insolvency on the back of its creditors who were unaware of the Debtor's financial difficulty.

31. Moreover, at the same time, the Debtor knew it was in precarious financial straits without sufficient cash to complete its contemplated season. Thereafter, on June 4, 2025, just after the completion of the Philadelphia event, and approximately one week before announcing the

cancellation of its Los Angeles event, Mr. Johnson initiated a payment of $500,000 purportedly on account of an unsecured note. There are no Board minutes which reflect authorization of this insider avoidable transfer. Shockingly, Mr. Johnson elected to secretly prefer himself over the athletes and other, non-insider creditors, while at the same time feigning to the public that he was selflessly looking to advance the interests of the athletes.

32. Additionally, on or about June 26, 2025, Mr. Johnson executed a Promissory Note on behalf of the Debtor (the "New Note"). The New Note stated that the Debtor had previously issued a promissory note in the amount of $1,543,459.92 to Mr. Johnson (presumably the note which was partially paid on June 4, 2005). The New Note stated that the new outstanding principal sum was $2,245,565.46. The New Note did not reference the payment Mr. Johnson had received earlier in the month. Additionally, the Debtor has not produced any documentation showing Mr. Johnson advanced any new funds to the Debtor, and upon information and belief, no such additional funds were advanced at the time the New Note was issued. Moreover, despite a specific request for this information, there is no documentation which has been produced showing Mr. Johnson advanced **any funds** to the Debtor in connection with the original promissory note, despite the Committee's demand therefor.

33. On July 23, 2025, the Board and Stockholders (defined herein) of the Debtor acted by joint written consent ("the July Joint Action"). Pursuant to the July Joint Action, the Board (which was comprised at that time of Mr. Nassar, Mr. Smith, Mr. Johnson, and Mr. Gera) and Winners Alliance and Mr. Johnson (together, the "Stockholders"), among other things, approved and ratified the Debtor's entry into the New Note. The July Joint Action did not make reference to the payment Mr. Johnson had received or ratify such payment. Additionally, the July Joint Action did not make a specific reference acknowledging that the Debtor had in fact received any

funds from Mr. Johnson whether under the original note or the New Note. The Board Members acted recklessly and without sufficient information in approving the July Joint Action.

34. Winners Alliance continued with its complete and total control over the Debtor, when, in response to athlete outrage and bad press regarding the failure to pay athletes, it provided a limited amount for the Debtor to pay athletes 50% of what was then owed to them in early October 2025. Rather than treating all of the Debtor's unsecured creditors, including both athletes and trade vendors, equally or fairly, Winners Alliance directed the engagement of a consultant who offered trade vendors 50% of the amount owed to trade vendors, after deducting for any prior payments received by the vendor. This was the equivalent of offering trade vendors a payment of 7-8% of what they were owed, in contrast to the 50% payments made to athletes. For certain trade vendors this meant that the offer was nothing or close to nothing if they had already received 50% of their total contracted for payments.

35. Not content with preferring the athletes over the trade vendors pre-petition, Winners Alliance has now agreed to fund a Plan that would pay athletes at least 85% of what they were owed on the Petition Date, bringing the amount the athletes will receive from the Debtor to well over 90% of what their contracted for payments were, while at the same time only offering only 1.5% to the trade vendors. D.I. 101. In essence, Winners Alliance is attempting to preserve its reputation among the athlete class, and continues to direct the Debtor to pay everyone other than its trade vendors.

36. Winners Alliance's control over the Debtor began even before the Debtor was formed and continues even while the Debtor is under the supervision of the Bankruptcy Court. This conduct has been in bad faith and the bad faith of Winners Alliance is also imputed to the Debtor as a result of its control over the Debtor.

III. Committee Investigation

37. In accordance with the Interim DIP Order and Final DIP Order, and consistent with its fiduciary duties, the Committee began an all-encompassing investigation with respect to all of the Defendants.

38. As a result of its investigation, the Committee has to date identified several potential causes of action against Winners Alliance, the Board Members, and the Officers. While the Committee's investigation remains ongoing, these causes of action against Winners Alliance, the Board, and Mr. Johnson include, but are not limited to, the validity or enforceability of certain of its security interests, equitable subordination, recharacterization of debt to equity, breaches of fiduciary duty, aiding and abetting breaches of fiduciary duty, promissory estoppel, fraudulent inducement, fraudulent transfers, insider preferences and piercing the corporate veil.

39. Following its investigation and in anticipation of asserting formal claims against the Debtor Parties, by letter dated March 3, 2026 (the "Standing Demand Letter", a copy of which is attached hereto as **Exhibit 2**), the Committee made a demand that the Debtor grant the Committee standing to purse the claims set forth in the Complaint. Despite receipt of the Standing Demand Letter, the Debtor did not consent to the Committee's standing to pursue the claims set forth in the Complaint.

RELIEF REQUESTED

40. The Committee seeks entry of an order substantially in the form attached as **Exhibit 3** (the "Proposed Order") granting the Committee authority and standing to assert, prosecute and, if appropriate, settle the causes of action raised in the Complaint.

BASIS FOR RELIEF

41. In chapter 11 cases where no trustee has been appointed, the Bankruptcy Code provides that a debtor-in-possession enjoys the powers that would otherwise vest in a bankruptcy trustee. *See* 11 U.S.C. § 1107(a). In conjunction therewith, a debtor is vested with the fiduciary duty to maximize the value of the estate for purposes of distribution to all parties in interest. *Official Committee of Unsecured Creditors of Cybergenics Corp. v. Chinery,* 330 F.3d 548, 568 (3d Cir. 2003) (*en banc)* ("A paramount duty of a trustee or debtor in possession in a bankruptcy case is to act on behalf of the bankruptcy estate, that is, for the benefit of the creditors"); *see also In re Marvel Entm't Group, Inc.,* 140 F.3d 463, 471 (3d Cir. 1998) (holding that a debtor has a fiduciary duty to refrain from conduct that may damage the estate); *In re Commodore Int'l, Ltd.,* 262 F.3d 96, 99 (2d Cir. 2001) (debtor-in-possession "has an obligation to pursue all actions that are in the best interests of creditors and the estate").

42. In furtherance of its own and related fiduciary duties, the Committee too may "perform such . . . services as are in the interest of those represented." 11 U.S.C. § 1103(c)(5). The Bankruptcy Code also provides that "[a] party in interest, including . . . a creditors' committee . . . may raise and may appear and be heard on any issue in a case under this chapter." 11 U.S.C. § 1109(b). Moreover, section 105(a) of the Bankruptcy Code empowers the Bankruptcy Court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of" the Bankruptcy Code. 11 U.S.C. § 105(a).

43. The Third Circuit Court of Appeals and other federal appellate courts have held that it is appropriate to grant derivative standing to a creditors' committee to act on behalf of a debtor's estate, and such grant is an appropriate exercise of a bankruptcy court's equitable powers. *See Cybergenics,* 330 F.3d at 567-68 (determining that section 1109(b) and other sections of the

Bankruptcy Code demonstrate congressional approval of derivative suits by creditors' committees to recover property for the benefit of the estate, and that bankruptcy courts may exercise their equitable powers to confer such derivative standing); *PW Enters., Inc. v. N.D. Racing Comm'n (In re Racing Servs., Inc.),* 540 F.3d 892, 904 (8th Cir. 2008) (stating that derivative standing is available to creditors' committees); *Commodore,* 262 F.3d at 100 (same); *Canadian Pacific Forest Prods. Ltd. v. J.D. Irving, Ltd. (In re Gibson Grp., Inc.),* 66 F.3d 1436, 1446 (6th Cir. 1995) (same); *see also Infinity Investors Ltd. ex rel. Yes! Entm't Corp. v. Kingsborough (In re Yes! Ent'mt Corp.),* 316 B.R. 141, 145 (D. Del. 2004) ("In *Cybergenics,* the Third Circuit recognized that the Bankruptcy Court, as a court of equity, has the power to authorize a creditor's committee to sue derivatively to recover property for the benefit of the estate.").

44. Courts following *Cybergenics* have conferred derivative standing where a creditor or creditors' committee demonstrates: (i) a colorable claim; (ii) a debtor's unjustified refusal to pursue that claim; and (iii) permission of the bankruptcy court to commence the action. *In re Washington Mutual, Inc.,* 461 B.R. 200, 254 (Bankr. D. Del. 2011); *see In re Yes! Entm't Corp.,* 316 B.R. at 145. The burden is on the creditor or the creditors' committee to demonstrate that these prerequisites to standing have been satisfied. *G-I Holdings, Inc.,* 313 B.R. at 629.

a. The Debtor Has Failed or Refused to Pursue the Causes of Action.

45. In order to pursue its Challenge, the Committee must first demonstrate that the Debtor unjustifiably failed or refused to pursue the claims set forth in the Complaint, which refusal may be explicit, implied, or deemed futile because the debtor have waived or released the right to bring such claims themselves. *G-I Holdings,* 313 B.R. at 630; *Unsecured Creditors Committee v. Noyes (In re STN Ent.),* 779 F.2d 901, 904 (2d Cir. 1985); *See Official Comm. of Unsecured Creditors of Nat'l Forge Co. v. E. Roger Clark (In re Nat'l Forge Co.),* 326 B.R. 532, 543 (W.D. Pa. 2005); *Louisiana World Exposition, Inc. v. Fed. Ins. Co. (In re Louisiana World Exposition,*

Inc.), 832 F.2d 1391, 1397-98 (5th Cir. 1987) (concluding that a formal demand is unnecessary where conflicts would likely prevent debtor from pursuing litigation adverse to its directors and officers). A creditor need only show that a debtor was "unable or unwilling to pursue claims" on the estate's behalf. *In re Newcorn Enterprises Ltd.,* 287 B.R. 744, 749-50 (Bankr. E.D. Mo. 2002); *see also Louisiana World Exposition v. Federal Ins. Co.,* 858 F.2d, 233, 253 (5th Cir. 1988) (finding that "[w]here the interests of an estate and its creditors are impaired by the refusal of a trustee or a debtor-in-possession to initiate adversary proceedings to recover property of the estate, . . . that refusal [is] unjustified").

46. Where refusal is deemed implied or futile, relevant factors that courts consider include: (1) whether conflicts of interest exist between the debtor and the parties against whom the creditors' committee's derivative action will be brought; (2) whether the creditors' interests are protected despite the debtor's refusal; (3) whether allowing the creditors' committee to pursue the action on the debtor's behalf will benefit the estate; and (4) whether appointing a trustee and allowing the trustee, as opposed to the creditors' committee, to pursue the action would be more beneficial to the estate. *In re G-I Holdings,* 313 B.R. at 643 (*citing In re Tennessee Valley Steel Corp.,* 183 B.R. 795, 806 (Bankr E D. Tenn. 1995)).

47. The Committee has communicated openly with the Debtor and the Debtor is fully aware of the nature, extent and merits of the causes of action that the Committee intends to pursue against the Defendants in the Complaint. To date the Debtor has failed to consent timely to the Committee's standing as requested in the Standing Demand Letter, despite the fact that many of the causes of action are directed at insiders and/or related entities of the Debtor to the extent such a demand would be futile. The Debtor has significant conflicts of interest, which preclude any unbiased business judgment to the prosecution of the causes of action. As the Defendants include

Officers and Board Members of the Debtor, as well as the Debtor's DIP Lender and the DIP Lender affiliates, the Debtor cannot be expected to assert causes of action against them, no matter how meritorious the claims may be. *Cybergenics*, 330 F.3d at 573 (nothing that this "situation immediately gives rise to the proverbial problem of the fox guarding the henhouse . . . [I]f managers can devise any opportunity to avoid bringing a claim that would amount to reputational self-immolation, they will seize it."); *see also G-I Holdings*, 313 B.R. at 628. When potential targets are in control of the debtor-in-possession, a conflict of interest may result as to whether a claim should be brought, and the debtor may be unwilling to pursue such claims, *Cybergenics*, at 573, but "a creditors' committee will not be so hesitant." *Id*., at 574.

48. Further, the Debtor's Officers and Board Members cannot be expected to assert the causes of action set forth in the Complaint against its secured lenders, who are providing post-petition financing and who are currently serving as both Officers and Board Members. Asking the Debtor to bring the Committee's claims against Winners Alliance is equivalent to asking it to bite the hand that feeds them.

49. Since the Debtor is not in a position to bring the Challenges themselves, no party other than the Committee is in a position to pursue the Challenges in light of the imminent expiration of the Challenge Period. The Committee, therefore, is the only estate fiduciary left in a position to pursue claims against the Defendants. As the only party remaining in a position to assert claims against the Defendants, it is essential that the Committee be granted standing.[3]

[3] Additionally, once the Debtor was insolvent, creditors gain standing to pursue fiduciary duty claims derivatively on behalf of the Debtor. *N. Am. Cath. Educ. Programming Found., Inc. v. Gheewalla*, 930 A.2d 92, 103 (Del. 2007) ("Accordingly, we hold that individual creditors of an insolvent corporation have no right to assert direct claims for breach of fiduciary duty against corporate directors. Creditors may nonetheless protect their interest by bringing derivative claims on behalf of the insolvent corporation or any other direct nonfiduciary claim, as discussed earlier in this opinion, that may be available for individual creditors.").

b. The Challenge Asserts Colorable Claims

50. As set forth in the Complaint, the Committee has uncovered numerous claims against the Debtor Parties that, if successful, will substantially increase recoveries for unsecured creditors. The "colorable claim" element for derivative standing requires the Court to decide whether the Committee has asserted "claims for relief that on appropriate proof would support a recovery." *In re G-I Holdings, Inc.,* 313 B.R. at 631. As such, the "threshold for stating a colorable claim is low" (*In re Washington Mut., Inc.,* 461 B.R. at 255) and is a "relatively easy one to make." *Adelphia Commc'ns. Corp. v. Bank of Am. (In re Adelphia Commc'ns Corp.),* 330 B.R. 364, 376 (Bankr. S.D.N.Y. 2005). A committee is not required to present all of its proof when seeking derivative standing. *See id.* (stating that "a mini-trial is *not* required"); *see also In re Distributed Energy Sys., Corp.,* No. 08-11101-KG (Bankr. D. Del. July 30, 2008), Hr'g Tr. 44 ("And the colorable claim issue, of course, is plausibility. . . . I don't even have to find that it has merit; I just have to find that it's not without merit."). However, the Committee acknowledges that it must do more than merely recite the bare elements of a cause of action. *See Wahoski v. Classic Packaging Co. (In re Pillowtex Corp.),* 427 B.R. 301, 311 (Bankr D Del. 2011).[4]

51. Here, the Committee has alleged more than sufficient factual allegations in the Complaint which, taken as true and with all reasonable inferences in favor of the Committee, support the conclusions that the Defendants breached their fiduciary duties, intentionally mislead

[4] This inquiry for a standing motion "is much the same as that undertaken when a defendant moves to dismiss a complaint for failure to state a claim." *In re G-I Holdings, Inc.,* 313 B.R. at 631 (*quoting In re iPCS, Inc.,* 297 B.R. 283, 291 (Bankr. N.D. Ga. 2003) (internal quotations omitted)). Under Federal Rule of Civil Procedure 8, which is incorporated into adversary proceedings by Bankruptcy Rule 7008, a complaint must contain only a "short and plain statement of the claim showing that the pleader is entitled to relief." Fed. R.C.P. 8(a)(2). On a motion to dismiss, a court must accept as true the allegations and facts pleaded in the complaint and any and all reasonable inferences derived from those facts. *See Unger v. Nat'l Residents Matching Program,* 928 F.2d 1392, 1400 (3d Cir. 1991). A motion to dismiss may be granted only if, after accepting the allegations in the complaint as true and viewing them in the light most favorable to the plaintiff, the plaintiff is still not entitled to any relief. *See Doug Grant, Inc. v. Greate Bay Casino Corp.,* 232 F.3d 173, 183 (3d Cir. 2000).

the Debtor and its creditors for reputational and personal gain, and improperly dealt in backdoor transactions with the intention of preferring some creditors over others. Based on the documentation provided by the Debtor, it is clear that Winners Alliance has been instrumental in the formation, incorporation, and development of the Debtor's business from even before day one. By executing the Winners-GST Term Sheet, Winners Alliance secured its spot as one of the founders and a critical member of the brain trust behind the Debtor's business. Moreover, Winners Alliance's actions during the course of the Debtor's business, as well as during its preparation for the bankruptcy process is indicative of Winners Alliance's integration of one of the entities calling the shots and running the show as it relates to the Debtor.

52. Moreover, Winners Alliance has, on more than one occasion, made clear that its top priority is not ensuring the Debtor's business prospers or that the Debtor's creditors are protected, but that its reputation in the athletic industry is shielded from any reputational damages. Winners Alliance has openly preferred athletes above all other creditors of the Debtor, despite knowing that the Debtor was in financial turmoil very early on in its business and could not make payments to either athletes or trade vendors as promised. Yet, Winners Alliance neglected to offer assistance and instead encouraged the Debtor to incur more costs.

53. Lastly, Mr. Johnson clearly caused the Debtor harm by causing the Debtor to pay him $500,000 on account of an unsecured note without proper Board approval or justification for making such a fraudulent and preferential insider payment, while well aware of the Debtor's financial distress and lack of sufficient cash availability. Shockingly, Mr. Johnson elected to secretly prefer himself over other, non-insider creditors, while at the same time feigning to the public that he was selflessly looking to advance the interests of the athletes.

54. At the same time, the Board Members and Officers were intimately aware of the bad faith actions taken by the Defendants and yet sat idly by without ensuring the Debtor and its creditors were protected.

55. Based upon the foregoing and as more fully detailed in Complaint, the Committee's prospective causes of action easily surpass the "colorable claim" standard established by Third Circuit precedent. The Complaint's detailed allegations undoubtedly support findings that, among other things, the causes of action asserted therein are beyond plausible.

c. The Committee Seeks Prior Court Approval to Prosecute the Challenge

56. The final issue regarding derivative standing is whether the Committee has obtained Court approval prior to asserting claims on behalf of the estate. This factor will be met if the Court grants the relief requested in this Motion. Since the causes of action set forth in this Motion and the Complaint are colorable and the Debtor to date has refused to bring such claims against the Defendants, this Court should grant the Committee standing to commence and prosecute these claims.

57. As noted, given the Debtor's wrongful refusal to bring such claims against the Defendants, , the Committee is the proper party to litigate these causes of action because the Committee is now the sole party left with the ability to pursue such claims, and is the primary fiduciary charged with maximizing value for the general unsecured class. Section 1103(c) of the Bankruptcy Code sets forth the Committee's duties, including performing such services as are in the interest of the general unsecured creditors. *See* 11 U.S.C. § 1103(c)(5). Given the Debtor's inability to bring the Complaint, the Committee seeks standing to pursue them to comply with its own fiduciary duties. Moreover, successful adjudication or settlement of the claims in the

Complaint would result in a substantial benefit to the estate and allow for a meaningful recovery to all general unsecured creditors.

58. While the Committee is cognizant of the limited resources available to the Debtor's estates, the Committee will continue to investigate the Debtor and related parties after obtaining standing and, after the issuance of formal discovery and deposition demands, may ultimately pursue additional claims to the extent such claims provide value to the estates from a cost-benefit perspective. As to the colorable claims already identified by the Committee, the benefits of millions of dollars in potential recoveries to the Debtor's estates and their general unsecured creditors far outweigh the potential cost of litigating the Complaint. If there is no Challenge here, the Debtor's estates will have lost the opportunity to recover significant value for general unsecured creditors.

NOTICE

59. Notice of this Motion has been given to the following parties: (i) Office of the United States Trustee; (ii) counsel to the Debtor; (iii) counsel to Winners; and (iv) all parties that have requested notice pursuant to Fed. R. Bankr. P. 2002 in this case. The Committee submits that, given the nature of the relief requested, no further notice is requested.

NO PRIOR REQUEST

60. No prior request for the relief sought herein has been made by the Committee to this or any other Court.

RESERVATION OF RIGHTS

61. The Committee reserves its rights to seek authority to commence, prosecute, and settle other claims and/or causes of action not discussed herein on behalf of the Debtor's estate.

CONCLUSION

WHEREFORE, the Committee respectfully requests that the Court enter an order granting the Committee leave to: (i) commence, prosecute, and, if appropriate, settle the actions based upon the allegations set forth in the Complaint; and (ii) pursue such other and further relief as the Bankruptcy Court deems just and proper.

Dated: March 9, 2026
Wilmington, Delaware

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Counsel to the Official Committee of Unsecured Creditors

EXHIBIT 1

COMPLAINT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: GST, INC.,[1] Debtor.	Chapter 11 Case No. 25-12188 (KBO)
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF GST, INC., Plaintiff, - against - WINNERS ALLIANCE, INC., MICHAEL JOHNSON, STEPHEN GERA, VIVEK KHANNA, AHMAD NASSAR, ERIC WINSTON, AND ROBERT SMITH, Defendants.	Adv. Proc. No. 26-[_____] (KBO)

ADVERSARY PROCEEDING COMPLAINT

The Official Committee of Unsecured Creditors (the "Committee") appointed in the above-referenced bankruptcy cases (the "Chapter 11 Cases") of GST, Inc. (the "Debtor"), by and through its undersigned co-counsel, hereby alleges as follows:

NATURE OF THE ACTION[2]

1. Pursuant to an order of the Court dated _____ __, 2026 [D.I. ___], the Committee was granted leave, standing (including derivative standing), and authority to commence, prosecute, and, if appropriate, settle the causes of action set forth in this Complaint against the above-named defendants (collectively, the "Defendants").

[1] The last four digits of the Debtor's taxpayer identification number are 1002. The Debtor's corporate headquarters and service address is 322 Culver Boulevard, Suite 150, Playa Del Rey, CA 90293.

[2] All undefined capitalized terms contained herein shall have the meanings ascribed to such terms later in the body of this Complaint.

2. As set forth below, the Committee asserts the following claims and causes of action against the Defendants:

i. Equitable Subordination of Winners Alliance's (defined herein) secured and unsecured claims against the Debtor;

ii. Recharacterization of amounts funded by Winners Alliance to the Debtor as "debt" to equity investments;

iii. Breach of fiduciary duty owed by Winners Alliance to the Debtor;

iv. Aiding and abetting by Winners Alliance of the breach of fiduciary duties owed by each of the Board Members (defined herein) and Officers (defined herein) to the Debtor;

v. Promissory estoppel against Winners Alliance to enforce its promises to the Debtor;

vi. Fraudulent inducement against Winners Alliance for its misrepresentations and promised funding to the Debtor;

vii. Avoidance of a fraudulent transfer against Mr. Johnson (defined herein) for the $500,000 payment made to him by the Debtor, and the avoidance of the obligations under a promissory note issued by the Debtor for inadequate consideration;

viii. Avoidance of an insider preference against Mr. Johnson for the $500,000 payment made to him by the Debtor during the one year period preceding the Petition Date;

ix. Breaches of fiduciary duty owed by Mr. Johnson to the Debtor;

x. Breaches of fiduciary duty owed by the Officers and each of the other Board Members to the Debtor; and

xi. Aiding and abetting the breach of fiduciary duties owed by the Board Members and Officers to the Debtor.

JURISDICTION, VENUE, AND PREDICATES FOR RELIEF

3. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. § 1334. This adversary proceeding has been referred to this Court pursuant to 28 U.S.C. § 157 and the Standing Order of the United States District Court for the District of Delaware referring

all cases and proceedings arising under the Bankruptcy Code to the Bankruptcy Judges of this District.

4. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b).

5. Venue before this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory predicates for the relief sought herein are 11 U.S.C. §§ 105, 502, 506, 510, 544, 547, 548, 550, and 551.

THE PARTIES

7. On December 11, 2025 (the "Petition Date"), the Debtor commenced a voluntary case for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Court"). The Debtor continues to manage and operate its business as Debtor-in-Possession under Bankruptcy Code §§ 1107 and 1108.

8. On January 13, 2026 (the "Formation Date"), the Office of the United States Trustee for the District of Delaware appointed three (3) of the Debtor's largest creditors to serve as members of the Committee. *See Notice of Appointment of Committee of Unsecured Creditors* [ECF 51]. The current members of the Committee include: (i) Momentum-CHP Partnership, (ii) Girraphic Park Ltd., and (iii) SRK Strategies. *Id.* Shortly thereafter, the Committee retained Thompson Coburn LLP to serve as its counsel and Chipman Brown Cicero & Cole, LLP to serve as its Delaware counsel.

9. Defendant Winners Alliance, Inc. ("Winners Alliance") is a corporation incorporated under the laws of the state of Delaware, with a principal place of business as 8484 Westpark Drive, Suite 630, Tysons, Virginia 22102., which acted as an equity investor, the Prepetition Lender for the Debtor, and currently acts as the DIP Lender for the Debtor. As a

Delaware corporation, Winners Alliance is subject to the personal jurisdiction of this Court and may be served care of its registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

10. Defendant Michael Johnson ("Mr. Johnson") is an individual residing in the United States, and at all times relevant to the claims set forth herein was a Director and/or Officer of the Debtor, and maintains an office address at c/o GST, Inc. 322 Culver Boulevard, Suite 150, Playa Del Rey, California 90293. Mr. Johnson was an Officer of the Debtor by virtue of his position as Commissioner of the Debtor from January 1, 2024 through the Petition Date.

11. Defendant Stephen Gera ("Mr. Gera") is an individual residing in the United States, and at all times relevant to the claims set forth here was a Director and/or Officer of the Debtor, and maintains an office address at c/o GST, Inc. 322 Culver Boulevard, Suite 150, Playa Del Rey, California 90293. Mr. Gera was an Officer of the Debtor by virtue of his position as President of the Debtor from January 1, 2024 through the Petition Date.

12. Defendant Vivek Khanna ("Mr. Khanna", and with Mr. Johnson and Mr. Gera, the "Officers") is an individual residing in the United States, and at all times relevant to the claims set forth here was a Director and/or Officer of the Debtor, and maintains an office address at c/o Winners Alliance 8484 Westpark Drive, Suite 630, Tysons, Virginia 22102. Mr. Khanna was an Officer of the Debtor by virtue of his position as acting-CFO of the Debtor from April 12, 2024 through the Petition Date.

13. Defendant Ahmad Nasser ("Mr. Nasser") is an individual residing in the United States, and at all times relevant to the claims set forth here was a Director of the Debtor, and maintains an office address at c/o Winners Alliance 8484 Westpark Drive, Suite 630, Tysons, Virginia 22102.

14. Defendant Eric Winston ("Mr. Winston") is an individual residing in the United States, and from April 12, 2024 through July 23, 2025 was a Director of the Debtor, and maintains an office address at c/o GST, Inc. 322 Culver Boulevard, Suite 150, Playa Del Rey, California 90293.

15. Defendant Robert Smith ("Mr. Smith") is an individual residing in the United States, and at all times relevant to the claims set forth here was a Director of the Debtor, and maintains an office address at c/o GST, Inc. 322 Culver Boulevard, Suite 150, Playa Del Rey, California 90293.

16. As directors and/or officers of the Debtor, a Delaware corporation, each of Messrs. Johnson, Gera, Khanna, Nasser, Winston, and Smith are subject to the personal jurisdiction of this Court and may be served care of the Debtor's registered agent, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

STATEMENT OF FACTS

17. In connection with the bankruptcy filing, the Debtor filed the Rubin Declaration which sets forth a partial history of the Debtor both preceding and following its formation culminating in the bankruptcy filing. *See* D.I. 14. During the Committee's investigation, the Committee obtained and received documentation showing how pervasive Winners Alliance, Inc. ("Winners Alliance") was in the formation, execution, and ultimately the failure of, the Debtor. While the Debtor presents Winners Alliance as merely an investor and secured and unsecured creditor, the facts uncovered by the Committee show that in fact, the Debtor was a mere instrumentality of Winners Alliance and Winners Alliance is using the Debtor's corporate form solely to evade its own responsibility for the Debtor's failure.

18. Winners Alliance bills itself as an athletes collective "built to solve the fragmentation of athletes rights." Winners Alliance Chief Executive Officer ("CEO") is Ahmad

Nassar ("Mr. Nassar") and its Chief Financial Officer ("CFO") and Chief Operating Officer ("COO") is Vivek Khanna ("Mr. Khanna"). Bill Ackman, the CEO of Pershing Square Capital Management, L.P. serves as the Chairman of the Board of Winners Alliance. *See* https://www.winnersalliance.com/about/.

19. Beginning in late August 2023, Mr. Johnson, Mr. Gera, and representatives of Winners Alliance explored a potential collaboration under which Winners Alliance would assist with diligence, operational development, and fundraising. It was anticipated that Winners Alliance would assist the Debtor with its capital needs by both directly providing capital and assisting the Debtor with fundraising. On September 26, 2023, the parties executed a non-binding term sheet (the "Winners-GST Term Sheet") reflecting an intent to collaborate on diligence, operational planning, and early-stage development. Rubin Decl. ¶ 18.

20. As part of the Winners-GST Term Sheet, Winners Alliance stated that it "is willing to fund the work needed to properly diligence and scale GST." Additionally, Winners Alliance stated that it "will provide all diligence and needed skills to create this entity including, but not limited to: financial diligence (internal and external), operations consulting, and fundraising."

21. As part of this process, Winners Alliance retained Two Circles Ltd. ("Two Circles"), a third-party sports consultancy, to assist with market analysis, product design considerations, and commercial strategy. Throughout the fall of 2023, Mr. Johnson, Mr. Gera, Winners Alliance, and external advisors participated in planning sessions to refine the proposed competition format, athlete engagement model, event cadence, and preliminary commercial assumptions. Rubin Decl. ¶ 19.

22. Specifically, on October 30, 2023, Winners Alliance entered into a consulting services agreement with Two Circles whereby Winners Alliance agreed to pay over $1 million to Two Circles for the purposes of, among other things, developing a business model for the Debtor.

23. Following months of work on the part of Winners Alliance and consultants it engaged, on December 28, 2023 the Debtor was incorporated in Delaware.

24. In the first quarter of 2024, the Debtor and Winners Alliance negotiated the terms of Winners Alliance's investment in the Debtor. An initial outline of the investment (the "Investment Outline") noted that in addition to the $7 million preferred stock investment, Winners Alliance would provide the Debtor with a $25,000,000 line of credit to be used from October 1, 2024 for a period of at least a year. The term sheet contemplated that any amounts drawn on the line of credit would convert into a "SAFE" (simple agreement for future equity) instrument. Despite this being a material part of the Investment Outline, and despite the fact that all of the business models developed for the Debtor reflected the need for approximately $30 million in additional cash to complete a single season, Winners Alliance never stepped forward to honor its commitment and provide this liquidity, and only provided smaller amounts on more onerous terms, including taking security in all of the Debtor's assets.

25. On April 12, 2024, the Debtor completed a seed financing transaction with Winners Alliance, consisting of $7 million in preferred equity and $6 million pursuant to a SAFE investment. Rubin Decl. ¶ 22. Again, at the time of this investment, it was known that $13 million would be insufficient to allow the Debtor to complete a single season of four (4) scheduled events. As part of the documentation evidencing Winners Alliance's investment, Winners Alliance, along with Mr. Johnson are referred to and defined together as "Founders" of the Debtor. Following this

investment, Winners Alliance owned 46% of the voting shares of the Debtor, with Mr. Johnson owning the remaining 54%.

26. Following the seed financing, the Debtor hired full-time staff, executed athlete contracts to ensure athlete attendance and participation at competitions, and prepared for launch. From mid-2024 through early 2025, the Debtor executed broadcast agreements covering the United States, Europe, and more than 205 territories globally, and entered into multiple sponsorship agreements. The Debtor's inaugural season was scheduled to begin in April 2025. Rubin Decl. ¶ 23.

27. Following Winners Alliance's formal investment on April 12, 2024, Khanna, an officer of Winners Alliance, also served as the Debtor's Acting CFO from April 12, 2024 through December 10, 2025.

28. Pursuant to the Stockholder Agreement executed in connection with the seed financing, Winners Alliance also always had two (2) of its officers serve on the Board of Directors of the Debtor (the "Board") at all times following its investment. Mr. Nassar served on the Board from April 12, 2024 through December 10, 2025. Mr. Winston, the former President of Winners Alliance, served on the Board from April 12, 2025 through July 23, 2025. Upon his resignation, Mr. Khanna filled his Board seat from July 23, 2025 through December 10, 2025.

29. On June 19, 2024, the Debtor issued a press release announcing the launch of the Debtor's business. *See* https://www.grandslamtrack.com/news/us-olympic-hero-michael-johnson-launches-grand-slam-track-1. In the press release, the Debtor stated that it had "secured more than $30 million in financial commitments from investors and strategic partners for the launch of the league." *Id*. However, at the time it made this statement, Winners Alliance had only invested $13 million in the Debtor. There are no Board minutes which reflect the authorization of the release

of this statement; however, this press release was public and posted on the Debtor's website so the Board and Winners Alliance were aware that the Debtor was informing the public that they had committed capital of $30 million, which was consistent with the Investment Outline.

30. Upon information and belief, Mr. Gera and Mr. Johnson repeatedly pointed to the press release as proof that the Debtor had adequate funding when negotiating with the Debtor's creditors, even though at the time they were aware that the Debtor did not.

31. At the end of 2024, before any of the Debtor's "Slams" had taken place, the Debtor had spent a significant portion of Winners Alliance's $13 million initial investment and was left with less than $5.5 million in cash to begin 2025. The Debtor's own internal projections showed that this amount of cash was insufficient to even get through a single track meet even if the Debtor hit its revenue target.

32. As the Debtor entered into vendor and athlete contracts in 2025, it did not have sufficient capital or financing to pay the amounts they were incurring, and without access to financing the Debtor was insolvent prior to commencing any of their events.

33. Moreover, the Debtor's own internal projections, shared with potential investors, showed that the Debtor expected to lose $27 million in 2025, despite also projecting $14.5 million in revenue. In fact, the Debtor's business model projected negative EBITDA in 2026 even when revenue was projected to reach $55 million. In its investor presentations, the Debtor did not expect to be profitable, under its projections, until 2027 when revenue was forecasted to reach $89.7 million. Even at that lofty number, EBITDA was only projected to be $2.2 million. Put differently, the Debtor and Winners Alliance knew that significant additional investments were required to fund the business, and the business could not sustain itself based on the projected revenues under their internal budget forecast. The Debtor and Winners Alliance created and knowingly

implemented a business model that required significant cash outlays, and the Debtor's only source of working capital beyond the initial seed investment was the potential $25 million line of credit from Winners Alliance set forth in the Investment Outline.

34. Despite the unrealistic overly optimistic revenue projections, the Debtor only generated a paltry $1.8 million in revenue for 2025 despite completing three "Slam" events, far short of the projected $14.5 million in revenue that was necessary to narrow the losses to $27 million. *See* Statement of Financial Affairs, Part 1, [D.I. 68].

35. The Debtor actively solicited new investors in the first quarter of 2025, with their third-party investment banker PJT Partners ("PJT") contacting over 150 potential investors. Rubin Decl. ¶ 26. On March 14, 2025, as part of this fundraising process, the Debtor entered into a non-binding term sheet with Eldridge Industries ("Eldridge") that contemplated a potential Series A investment. Rubin Decl. ¶ 28. The term sheet contemplated an April 1, 2025 closing with an initial investment of $30 million to be followed by an additional $10 million investment to be funded in the fourth quarter of 2025.

36. Despite the targeted closing date being several days before the first scheduled event in Kingston, Jamaica on April 4-6, 2025, Eldridge did not consummate an investment before the event. On April 11, 2025, following the first event, Eldridge informed the Debtor that it would not proceed with its proposed investment, leaving the Debtor without a committed institutional capital source. Rubin Decl. ¶ 41. Despite the lack of funds, upon information and belief, Winners Alliance instructed the Debtor to proceed with their next two events on May 2-4 (Miami) and May 30-June 1 (Philadelphia) in order to protect their equity investment despite the inability to pay athletes their appearance fees, pay the prize money to the winners of the races or pay the trade creditors for services being performed at their direction. Specifically, at these two (2) events, the

Debtor (i) knew it did not have sufficient resources to pay the athletes for appearance fees and prize money and (ii) knew it did not have sufficient resources to pay for the production and associated costs of conducting these events. The Debtor also incurred significant debt refurbishing the track used at the meeting, even though it knew that it would not be able to pay the contractor for the work.

37. As a result of proceeding with two (2) events without sufficient capital and committed third-party financing, and potentially illegally promising athletes prizes for winning events, for the first six months of 2025, the Debtor lost $37.2 million. Had the Debtor ceased operations after learning that Eldridge was not moving forward with the proposed investment, the Debtor would have significantly reduced the amount it owed all of its creditors. However, Winners Alliance prioritized its equity investment over prudent financial management and despite only committing limited additional funds to the Debtor proceeded to actively encourage the Debtor to worsen its financial position and deepen its insolvency on the back of its creditors who were unaware of the Debtor's financial difficulty.

38. Moreover, at the same time, the Debtor knew it was in precarious financial straits without sufficient cash to complete its contemplated season. Thereafter, on June 4, 2025, just after the completion of the Philadelphia event, and approximately one week before announcing the cancellation of its Los Angeles event, Mr. Johnson initiated a payment of $500,000 purportedly on account of an unsecured note. There are no Board minutes which reflect authorization of this insider avoidable transfer. Shockingly, Mr. Johnson elected to secretly prefer himself over the athletes and other, non-insider creditors, while at the same time feigning to the public that he was selflessly looking to advance the interests of the athletes.

39. Additionally, on or about June 26, 2025, Mr. Johnson executed a Promissory Note on behalf of the Debtor (the "New Note"). The New Note stated that the Debtor had previously issued a promissory note in the amount of $1,543,459.92 to Mr. Johnson (presumably the note which was partially paid on June 4, 2005). The New Note stated that the new outstanding principal sum was $2,245,565.46. The New Note did not reference the payment Mr. Johnson had received earlier in the month. Additionally, the Debtor has not produced any documentation showing Mr. Johnson advanced any new funds to the Debtor, and upon information and belief, no such additional funds were advanced at the time the New Note was issued. Moreover, despite a specific request for this information, there is no documentation which has been produced showing Mr. Johnson advanced any funds to the Debtor in connection with the original promissory note, despite the Committee's demand therefor.

40. On July 23, 2025, the Board and Stockholders (defined herein) of the Debtor acted by joint written consent ("the July Joint Action"). Pursuant to the July Joint Action, the Board (which was comprised at that time of Mr. Nassar, Mr. Smith, Mr. Johnson, and Mr. Gera) and Winners Alliance and Mr. Johnson (together, the "Stockholders"), among other things, approved and ratified the Debtor's entry into the New Note. The July Joint Action did not make reference to the payment Mr. Johnson had received or ratify such payment. Additionally, the July Joint Action did not make a specific reference acknowledging that the Debtor had in fact received any funds from Mr. Johnson whether under the original note or the New Note. The Board Members acted recklessly and without sufficient information in approving the July Joint Action.

41. Winners Alliance continued with its complete and total control over the Debtor, when, in response to athlete outrage and bad press regarding the failure to pay athletes, it provided a limited amount for the Debtor to pay athletes 50% of what was then owed to them in early

October 2025. Rather than treating all of the Debtor's unsecured creditors, including both athletes and trade vendors, equally or fairly, Winners Alliance directed the engagement of a consultant who offered trade vendors 50% of the amount owed to trade vendors, after deducting for any prior payments received by the vendor. This was the equivalent of offering trade vendors a payment of 7-8% of what they were owed, in contrast to the 50% payments made to athletes. For certain trade vendors this meant that the offer was nothing or close to nothing if they had already received 50% of their total contracted for payments.

42. Not content with preferring the athletes over the trade vendors pre-petition, Winners Alliance has now agreed to fund a Plan that would pay athletes at least 85% of what they were owed on the Petition Date, bringing the amount the athletes will receive from the Debtor to well over 90% of what their contracted for payments were, while at the same time only offering only 1.5% to the trade vendors. D.I. 101. In essence, Winners Alliance is attempting to preserve its reputation among the athlete class, and continues to direct the Debtor to pay everyone other than its trade vendors.

43. Winners Alliance's control over the Debtor began even before the Debtor was formed and continues even while the Debtor is under the supervision of the Bankruptcy Court. This conduct has been in bad faith and the bad faith of Winners Alliance is also imputed to the Debtor as a result of its control over the Debtor.

44. As a result of such bad faith of Winners Alliance, the Board Members, and the Officers, on March 3, 2026, the Committee formally requested that the Debtor grant the Committee standing to pursue the claims and causes of action set forth in this Complaint, including but not limited to any claims and causes of action set forth in this Complaint. A copy of the Committee's letter formally requesting standing is attached as Exhibit __.

45. On March 9, 2026, the Committee filed its *Motion of the Official Committee of Unsecured Creditors for an Order Granting Standing and Authorization to Commence and Prosecute Certain Actions on Behalf of the Debtor's Estate* [D.I. __] (the "Standing Motion").

46. On [DATE], the Court entered an order granting the Standing Motion. *See* Order [D.I. __].

CAUSES OF ACTION

COUNT I
(Equitable Subordination)
(Against Winners Alliance)

47. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

48. Winners Alliance is an alleged creditor of the Debtor and asserts claims against the estate, including secured and/or unsecured claims arising from its seed investment, SAFE-related investments, and other advances it characterizes as debt (excluding amounts advanced under the DIP loan approved by the Court, but including all other prepetition secured and unsecured claims asserted by Winners Alliance, the "Winners Asserted Debt").

49. Winners Alliance was in discussions with the Debtor regarding the business, before the Debtor was incorporated, and retained Two Circles to assist with the planning of the Debtor's business model behind the scenes, including going as far as paying Two Circles over $1 million for its services.

50. Winners Alliance was referred to and defined as one of the "Founders" of the Debtor in investment documentation.

51. In sum, Winners Alliance acted as an insider and exerted pervasive control over the Debtor before formation and throughout operations by (a) orchestrating formation and early

planning; (b) installing its own CFO as the Debtor's acting CFO for the entire period of its investment; (c) occupying two board seats, one of which included its own CEO; and (d) directing operational and payment decisions of the Debtor.

52. Winners Alliance engaged in inequitable conduct by, among other things: (a) directing the Debtor to continue events despite deepening insolvency and the inability to pay athletes and trade vendors; (b) exercising dominion and control over the Debtor by steering prepetition payments specifically to athletes and ignoring significant debts owed to trade vendors; (c) engineering plan treatment that grossly favors athletes (85%) over general unsecured vendors (1.5%) to protect Winners Alliance's own equity and reputation; and (d) withholding promised liquidity while exercising dominion over the Debtor's capital plan and cash decisions.

53. Winners Alliance's conduct caused injury to creditors and conferred an unfair advantage on Winners Alliance, including by (a) attempting to protect their own equity investment at the expense of creditors, (b) attempting to protect their own relationship with athletes over treating creditors equitably, (c) inflating unsecured claims through unnecessary losses by encouraging operation long after insolvency, and (d) manipulating the pre- and post-petition distribution scheme.

54. Subordination of all the Winner's Asserted Debt claims is consistent with the Bankruptcy Code and necessary to remedy the harm.

55. By reason of the foregoing, Winner's Asserted Debt claims should be equitably subordinated to the claims of all other creditors.

COUNT II
(Recharacterization of Debt to Equity)
(Against Winners Alliance)

56. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

57. The Committee seeks a determination the Winners Asserted Debt claims are in substance equity.

58. Winners Alliance was, in practice, and explicitly referred to in documentation, a Founder of the Debtor. Employees of Winners Alliance held significant Officer positions with the Debtor, and served as Board Members of the Debtor including holding two board seats out of four or five board positions at all times following its initial investment.

59. The advances made by Winners Alliance bore the hallmarks of risk capital, including: thin capitalization at formation; a structure tying funding to equity-like conversions (e.g., "SAFE" or Line of Credit to SAFE constructs); the absence or waiver of conventional debt remedies; dependence on speculative growth and a future equity round; use of proceeds for early-stage build-out; and Winners Alliance's insider control and expectation of upside from enterprise success.

60. Additionally, at the time of incurring the Winners Asserted Debt claims, Winners Alliance was aware that the Debtor's business Plan, which they funded the creation of, provided that the Debtor was not adequately capitalized with the limited amounts of the Winners Asserted Debt claims and additional investments were required before the Debtor could become profitable. By advancing the funds in the Winners Asserted Debt claims, Winners Alliance was making a disguised equity investment and only expected a return if the Debtor became profitable.

61. By reason of the foregoing, the totality of the circumstances shows Winners Alliance and the Debtor intended the advances associated with the Winners Asserted Debt claims were risk capital and such claims should therefore be recharacterized as equity.

COUNT III
(Breach of Fiduciary Duty)
(Against Winners Alliance)

62. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

63. At all relevant times, the Debtor was insolvent.

64. By virtue of its control, representation on the Board, and appointment of its own CFO as the Debtor's acting CFO, Winners Alliance owed (and/or is liable for) fiduciary duties of loyalty and care to the Debtor.

65. Winners Alliance breached those duties by, among other things: (a) prioritizing its own equity and reputational interests over the Debtor's and its creditors' interests through various stages of the Debtor's business; (b) directing the Debtor to conduct additional events while insolvent, thereby deepening losses; (c) preferring athletes to the detriment of similarly situated unsecured trade vendors without adequate justification; and (d) failing to pursue or allow prudent alternatives (e.g., a timely wind-down) after the anticipated financing collapsed.

66. As a direct and proximate result, the Debtor and its creditors suffered damages, including increased unpaid trade vendor claims and administrative burdens, which could have been avoided had Winners Alliance fulfilled its fiduciary duties.

67. Based on the foregoing, the Committee is entitled to recover an amount to be determined at trial, but no less than $25 million.

COUNT IV
(Aiding and Abetting Breaches of Fiduciary Duty)
(Against Winners Alliance)

68. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

69. The Debtor's Officers and Board Members owed fiduciary duties of care and loyalty to the Debtor.

70. The Officers and Board Members breached those duties by the conduct described in this Complaint.

71. Winners Alliance knowingly participated in and substantially assisted those breaches of fiduciary duty by the Officers and Board Members by directing, encouraging, and enabling the challenged decisions and payment schemes while exercising control over the finances and Board processes, including through having its CFO serve as the Debtor's acting CFO and controlling two of the four or five Board seats at all times.

72. In aiding and abetting Debtor's Officers and Board Members breaches of fiduciary duties, Winners Alliance proximately caused the Debtor to suffer and sustain financial and other damages.

73. Based on the foregoing, the Committee is entitled to recover an amount to be determined at trial, but no less than $25 million.

COUNT V
(Promissory Estoppel)
(Against Winners Alliance)

74. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

75. Winners Alliance made clear and definite promises to provide diligence, scaling resources, and critical funding, including a $25 million line of credit facility convertible to equity, to support a complete inaugural season and operational runway, as demonstrated by the Investment Outline, as well as Winners Alliance's actions prior to the incorporation of the Debtor as well as in early stages of the Debtor's business.

76. It was foreseeable and intended that the Debtor would rely on those promises in forming, staffing, contracting with athletes and vendors, and launching events.

77. The Debtor reasonably relied to its detriment by proceeding with the business plan and commitments in anticipation of Winners Alliance's funding, including by holding events even after it was aware of its impending insolvency and in ability to pay the vendor and athletes for producing and participating in the events, including the inability to pay prize money.

78. Injustice can be avoided only by enforcing the promises or awarding reliance damages.

79. Based on the foregoing, the Committee is entitled to recover reliance damages of $25 million.

COUNT VI
(Fraudulent Inducement)
(Against Winners Alliance)

80. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

81. Winners Alliance knowingly or recklessly made material misrepresentations and/or concealed material facts, including representations that it would provide or ensure sufficient funding to scale and complete a season, and that the Debtor had adequate runway to meet obligations to athletes and vendors.

82. Winners Alliance made material misrepresentations that it was willing to fund the work needed to diligence and scale the Debtor, including fundraising. However, despite such representations, Winners Alliance did not provide amounts necessary to fund the Debtor's events and pay athletes both their fees and prize money promised to the winners.

83. Winners Alliance intended that the Debtor rely on these statements to form, hire, contract, and proceed with events.

84. The Debtor reasonably relied and suffered damages when promised funding did not materialize and when Winners Alliance directed operations that deepened insolvency.

85. Based on the foregoing, the Committee is entitled to recover reliance damages of $25 million.

COUNT VII
(Constructive Fraudulent Transfer/Obligation Claim 11 U.S.C. § 548(a)(1)(B))
(Against Michael Johnson)

86. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

87. On June 4, 2025, within six (6) months of the Petition Date at a time when the Detor was insolvent, Mr. Johnson caused the Debtor to pay him $500,000 purportedly on account of an unsecured note, without evidencing such transaction in any Board minutes.

88. Additionally, in July 2025, Mr. Johnson caused the Debtor to enter into the New Note with Mr. Johnson and to incur obligations thereunder.

89. The Debtor was aware of its precarious financial straits and its lack of sufficient cash availability to completed its contemplated seasons and remaining then-scheduled event in Los Angeles.

90. The Debtor did not receive anything, let alone reasonably equivalent value, from Mr. Johnson in exchange for such $500,000 payment.

91. The Debtor did not receive anything, let alone reasonably equivalent value, from Mr. Johnson in exchange for the issuance of the New Note.

92. At the time of the $500,000 payment and at the time of the issuance of the New Note, the Debtor was insolvent. Specifically, (i) the Debtor was engaged in business for which any property remaining with the Debtor was unreasonably small amount of capital; and/or (ii) the Debtor intended to incur, or believed or reasonably should have believed that it would incur, debts beyond its ability to pay such debts as they matured.

93. Mr. Johnson did not receive the $500,000 payment in good faith.

94. Based on the foregoing, within the applicable look-back periods, the Debtor made transfers to or for the benefit of Mr. Johnson (including, without limitation, compensation, bonuses, reimbursements, indemnities, or other direct/indirect payments including the $500,000) at times when the Debtor was insolvent or was left with unreasonably small capital, and/or for which the Debtor did not receive reasonably equivalent value. The payments to Mr. Johnson should be avoided from Mr. Johnson pursuant to 11 U.S.C. § 548(a)(1)(B) .

95. Based on the foregoing, within the applicable look-back periods, the Debtor incurred obligations to Mr. Johnson, including without limitation under the New Note, at times when the Debtor was insolvent or was left with unreasonably small capital, and/or for which the Debtor did not receive reasonably equivalent value. The obligations incurred by the Debtor to Mr. Johnson should be avoided as constructively fraudulent obligations pursuant to 11 U.S.C. § 548(a)(1)(B).

COUNT VIII
(Intentional Fraudulent Transfer/Obligation Claim 11 U.S.C. § 548(a)(1)(A))
(Against Michael Johnson)

96. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

97. On June 4, 2025, within six (6) months of the Petition Date at a time when the Detor was insolvent, Mr. Johnson caused the Debtor to pay to him $500,000 purportedly on account of an unsecured note.

98. Additionally, in July 2025, Mr. Johnson caused the Debtor to enter into the New Note with Mr. Johnson and to incur obligations thereunder.

99. The Debtor made the payment to Mr. Johnson and entered into the New Note with knowledge of the effect that such transactions would have on creditors of the Debtor, and with the intent to hinder, delay or defraud such creditors.

100. The payment to Mr. Johnson and entry into the New Note each occurred within two years of the Petition Date.

101. Based on the foregoing, the payments to Mr. Johnson should be avoided from Mr. Johnson pursuant to 11 U.S.C. § 548(a)(1)(A).

102. Based upon the foregoing, the obligations incurred by the Debtor under the New Note should be avoided as fraudulent obligations pursuant to 11 U.S.C. § 548(a)(1)(A).

COUNT IX
(Insider Preference Claim 11 U.S.C. § § 547 and 550)
(Against Michael Johnson)

103. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

104. In the alternative, the Committee alleges as follows:

105. The Committee has undertaken reasonable due diligence in the circumstances of the case, including but not limited to seeking discovery from the Debtor prior to commencing this action, and has evaluated all potential affirmative defenses to this preference claim and believes that notwithstanding potential defenses the Committee is entitled to recover on this claim.

106. By virtue of ownership of all or a majority of the Debtor's common stock, membership on the Debtor's Board and role as an executive Officer of the Debtor, Mr. Johnson is an insider of the Debtor.

107. On June 4, 2025, within one year of the Petition Date, the Debtor transferred $500,000 to Mr. Johnson to or for his benefit.

108. The transfer was made from the Debtor and constituted a transfer of an interest in property of the Debtor.

109. To the extent it is not avoided as a fraudulent conveyance, the payment was purportedly made on account of an unsecured note provided by Mr. Johnson.

110. The transfer was to or for the benefit of a creditor because the transfer reduced the debts allegedly owed to Mr. Johnson.

111. The transfer was made for or on account of an antecedent debt owed by the Debtor to Mr. Johnson before such transfer was made.

112. The transfer was made when the Debtor was insolvent.

113. Mr. Johnson received more than he would have received in a Chapter 7 bankruptcy proceeding if the transfer had not been made, and if Mr. Johnson received payments on account of such debt under the provisions of the Bankruptcy Code.

114. Based on the foregoing, the transfer of $500,000 should be avoided from Mr. Johnson pursuant to 11 U.S.C. § 547.

COUNT X
(Recovery of Avoidable Transfers 11 U.S.C. § 550(a))
(Against Michael Johnson)

115. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

116. As set forth in this Complaint, the Committee is entitled to avoid the $500,000 transfer made by the Debtor to or for the benefit of Mr. Johnson pursuant to 11 U.S.C. §§ 547, 548(a)(1)(a), and 548(a)(1)(B).

117. Mr. Johnson was the initial transferee of the $500,000 transfer, or the immediate or mediate transferee of such initial transferee, or the person for whose benefit such transfer was made.

118. Pursuant to 11 U.S.C. § 550(a), the Committee is entitled to recover the $500,000 transfer from Mr. Johnson and from any immediate, mediate, or subsequent transferee of Mr. Johnson.

COUNT XI
(Breach of Fiduciary Duty)
(Against Michael Johnson)

119. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

120. As a Board Member and/or Officer, Mr. Johnson owed fiduciary duties of loyalty and care to the Debtor.

121. Mr. Johnson breached those duties by, among other acts: directing or approving the continuation of events despite insolvency; steering or approving preferential payments to athletes over trade vendors; failing to implement a prudent wind-down after financing failed; directing a

significant $500,000 payment to himself, signing and entering into the New Note; and placing Winners Alliance's and his own interests above the Debtor's.

122. As a direct and proximate result, the Debtor suffered damages, including increased unpaid trade vendor claims, athlete claims and administrative burdens, which could have been avoided had Mr. Johnson fulfilled its fiduciary duties.

123. Based on the foregoing, the Committee is entitled to recover an amount to be determined at trial, but no less than $25 million.

COUNT XII
(Breach of Fiduciary Duty)
(Against Board Members and Officers)

124. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

125. Each of the Board Members owed fiduciary duties of loyalty and care to the Debtor.

126. Each of the Board Members breached those duties by, among other things: (a) approving or failing to prevent the continuation of events the Debtor planned despite impending insolvency and lack of liquidity necessary to pay all trade vendors and athletes participating in the events; (b) authorizing or acquiescing in payment schemes that favored athletes and disfavored vendors of equal priority; (c) failing to secure necessary financing or pivot to a wind-down to minimize losses; (d) failing to adequately monitor the Debtor including: (i) the failure to monitor the insider preference payment, (ii) the failure to contain the Debtor's expenditures before they far exceeded assets, and (iii) the failure to address the substantial revenue miss on operations; (e) failing to be fully informed before executing the July Joint Action; and (f) permitting or enabling Winners Alliance's domination over the Debtor to the detriment of the Debtor and its creditors.

127. Each of the Officers breached those duties by, among other things: (a) approving or failing to prevent the continuation of events the Debtor planned despite impending insolvency and lack of liquidity necessary to pay all trade vendors and athletes participating in the events; (b) entering into contracts and incurring obligations it knew it could not pay; (c) gross mismanagement of the Debtor; (d) authorizing payments to Mr. Johnson while the Debtor was insolvent; and (e) inducing creditors to incur claims through false pretenses.

128. As a direct and proximate result, the Debtor suffered damages, including increased unpaid trade vendor claims, athlete claims and administrative burdens, which could have been avoided had each of the Board Members and Officers fulfilled their fiduciary duties.

129. Based on the foregoing, the Committee is entitled to recover an amount to be determined at trial, but no less than $25 million.

COUNT XIII
(Aiding and Abetting Breaches of Fiduciary Duty)
(Against Board Members and Officers)

130. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

131. Certain Officers and Board Members breached their fiduciary duties to the Debtor, as alleged herein.

132. Each of the Board Members and Officers knowingly participated in, substantially assisted, or consciously disregarded those breaches by approving, directing, or failing to stop the conduct described in this Complaint, notwithstanding their knowledge of the Debtor's insolvency and lack of capital which was needed to implement the business plan.

133. As a direct and proximate result, the Debtor suffered damages, including increased unpaid trade vendor claims, athlete claims and administrative burdens, which could have been avoided had each of the Board Members and Officers fulfilled their fiduciary duties.

134. Based on the foregoing, the Committee is entitled to recover an amount to be determined at trial, but no less than $25 million.

COUNT XIV
(Piercing the Corporate Veil/Alter Ego)
(Against Winners Alliance)

135. The Committee restates and realleges all paragraphs set forth above as if fully set forth herein.

136. The Debtor was, at all relevant times, controlled and dominated by Winners Alliance, such that the Debtor was a mere alter ego, agent and/or instrumentality of Winners Alliance.

137. Winners Alliance used its dominion over the Debtor through its ownership of all of the Debtor's preferred stock, its two board seats and installing its CFO as the Debtor's acting-CFO to control the Debtor and advance its own interests, rather than the interests of the Debtor. Specifically, Winners Alliance used the Debtor to ensure that athlete's interests were placed above all others and when the Debtor had funds that such funds were primarily used solely to satisfy debts owed to the athletes as a preferred class.

138. Winners Alliance was instrumental in the formation of the Debtor. Despite recognizing the significant capital needs of the Debtor, Winners Alliance caused the Debtor to be undercapitalized throughout its corporate existence.

139. Based on the foregoing, the Court should pierce the corporate veil and hold Winners Alliance liable for the debts of the Debtor.

REQUEST FOR RELIEF

140. For the foregoing reasons, the Committee respectfully requests the following relief:

i. On **Count I**, the Committee requests that the Court equitably subordinate Winners Asserted Debt claims, including any liens to the extent permitted, to the claims of general unsecured creditors;

ii. On **Count II**, the Committee requests an order recharacterizing Winners Asserted Debt claims as equity interests, disallowing any and all claims of debt asserted in this bankruptcy proceeding;

iii. On **Count III**, the Committee seeks judgment against Winners Alliance in an amount to be determined at trial, but no less than $25 million;

iv. On **Count IV**, the Committee seeks judgment against Winners Alliance in an amount to be determined at trial, but no less than $25 million;

v. On **Count V**, the Committee seeks reliance damages against Winners Alliance in the amount of $25 million;

vi. On **Count VI**, the Committee seeks reliance damages against Winners Alliance in the amount of $25 million;

vii. On **Count VII**, the Committee seeks to avoid pursuant to 11 U.S.C. § 548(a)(1)(B) the $500,000 transfer to Mr. Johnson and seeks to avoid the Debtor's obligations under the New Note;

viii. On **Count VIII**, the Committee seeks to avoid pursuant to 11 U.S.C. § 548(a)(1)(A) the $500,000 transfer to Mr. Johnson and seeks to avoid the Debtor's obligations under the New Note;

ix. On **Count IX**, the Committee seeks to avoid pursuant to 11 U.S.C. § 547 the $500,000 transfer to Mr. Johnson;

x. On **Count X**, the Committee seeks pursuant to 11 U.S.C. § 550(a) to recover from Mr. Johnson, and any immediate, mediate, or subsequent transferee of Mr. Johson, the $500,000 transfer and all other avoidable transfers;

xi. On **Count XI**, Plaintiff seeks judgment against Mr. Johnson in an amount to be determined at trial, but no less than $25 million;

xii. On **Count XII**, Plaintiff seeks judgment against each of the Board Members in an amount to be determined at trial, but no less than $25 million;

xiii. On **Count XIII**, Plaintiff seeks judgment against each of the Board Members in an amount to be determined at trial, but no less than $25 million;

xiv. On **Count XIV**, Plaintiff seeks an order piercing the corporate veil of the Debtor and determining that Winners Alliance is responsible for the debts of the Debtor; and

xv. Awarding such other and further relief as the Bankruptcy Court deems just and appropriate under the circumstances.

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Dated: March __, 2026
Wilmington, Delaware

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Counsel to the Official Committee of Unsecured Creditors

EXHIBIT 2

COMMITTEE STANDING LETTER

THOMPSON COBURN LLP

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Joseph Orbach
212 478 7396 direct
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March 3, 2026

VIA EMAIL

David Golubchik
Levene, Neale, Bender, Yoo & Golubchik L.L.P.
2818 La Cienega Ave
Los Angeles, CA 90034
dbg@lnbyg.com

Re: *In re GST, Inc.*, Case No. 25-12188 (KBO)

Dear David:

As you are aware, we represent the Official Committee of Unsecured Creditors (the "Committee") in the Chapter 11 case of the above-captioned Debtor (the "Debtor"). Pursuant to the *Final Order (I) Authorizing Debtor To (A) Obtain Senior Secured Postpetition Financing And (B) Use Cash Collateral;(II) Granting Liens And Superpriority Administrative Expense Status; (III) Granting Adequate Protection; (IV) Modifying Automatic Stay; And (V) Granting Related Relief* [ECF No. 94] (the "Final DIP Order"), the Committee has been investigating potential claims and causes of action against Winners Alliance, Inc. ("Winners Alliance"), including potential challenges against the asserted debt and the amount, validity, perfection, enforceability, priority, or extent of Winners Alliance's security interests in the Debtor's assets, as well as other potential claims and causes of action against the Debtor's current and former directors and officers ("D&Os").

As a result of its investigation, the Committee has to date identified several potential causes of action against Winners Alliance and the D&Os. While the Committee's investigation remains ongoing, these causes of action against Winners Alliance include, but are not limited to, the validity or enforceability of certain of its security interests, equitable subordination, recharacterization of debt to equity, breaches of fiduciary duty, aiding and abetting breaches of fiduciary duty, promissory estoppel, breach of implied covenant of good faith and fair dealing, fraudulent inducement, negligent misrepresentation, deepening insolvency, alter ego/veil piercing, undercapitalization/wrongful formation, and lender as promoter liability (collectively, the "Winners Alliance Claims").

Additionally, in the course of its investigation the Committee has identified causes of action against Michael Johnson. For example, the Committee was shocked to learn that just prior to the Debtor announcing that it was cancelling its Los Angeles track meet, failed to pay the athletes their appearance fees, amounts owed to the athletes who won the races at the prior meets or the vendors who supported those meets and despite knowing that the Debtor was hopelessly insolvent, Mr. Johnson elected to disburse to himself the sum of $500,000 in the Debtor's funds. Such a transfer is an undeniable avoidable fraudulent transfer. It also

constituted a breach of the fiduciary duties of the D&Os who approved such avoidable transfer (collectively, the "Michael Johnson Claims").

Finally, the Committee has identified several additional claims and causes of action against the D&Os, including without limitation claims for equitable subordination of their claims, recharacterization of debt to equity, breaches of fiduciary duty, aiding and abetting breaches of fiduciary duty, fraudulent inducement, and negligent misrepresentation (the "D&O Claims" and collectively with the Winners Alliance Claims and Michael Johnson Claims, the "Estate Claims").

With respect to the Winners Alliance Claims, the Debtor is not in a position to pursue such claims in light of the stipulations it consented to in the Final DIP Order. Consequently, the Committee hereby demands that the Debtor promptly consent to the Committee's standing and authority to commence, prosecute, and if appropriate, compromise (subject to Bankruptcy Court approval) the Winners Alliance Claims.

With respect to the Michael Johnson Claims and the D&O Claims, the Committee hereby demands that the Debtor (a) promptly investigate, commence, and prosecute such Claims, or otherwise (b) promptly consent to the Committee's standing and authority to commence, prosecute, and if appropriate, compromise (subject to Bankruptcy Court approval) the Michael Johnson Claims and the D&O Claims and other potential claims and causes of action against such parties as may be discovered during the course of the Committee's continued investigation.

Please inform us by no later than **5:00 p.m. ET on March 6, 2026** if the Debtor consents to the Committee's standing to pursue the Winners Alliance Claims and will pursue the Michael Johnson Claims and the D&O Claims by commencing promptly formal action(s), or if the Debtor otherwise consents to the Committee's standing and authority to do so on the Debtor's estate's behalf.

Please be advised that if the Debtor does not promptly respond by commencing action(s) or consenting to the Committee's authority and standing, the Committee intends to file a motion with the Bankruptcy Court seeking such relief.

Sincerely,

/s/ Joseph Orbach

Joseph Orbach

EXHIBIT 3

PROPOSED ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
GST, INC.,[1]	Case No. 25-12188 (KBO)
Debtor.	Re: D.I. __

ORDER GRANTING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS DERIVATIVE STANDING AND AUTHORITY TO PROSECUTE AND SETTLE CLAIMS ON BEHALF OF THE DEBTOR'S ESTATE

Upon consideration of the *Motion of the Official Committee of Unsecured Creditors for an Order Granting Standing and Authority to Commence and Prosecute Certain Actions on behalf of the Debtor's Estate* (the "Motion")[2] filed by the Official Committee of Unsecured Creditors (the "Committee") of GST, Inc. (the "Debtor"), for entry of an order, pursuant to 11 U.S.C. §§ 105(a) and 1109(b), granting standing to the Committee to assert, prosecute, litigate, negotiate, and, subject to Court approval, settle the claims and causes of action set forth in the Complaint; and it appearing that this Court has jurisdiction to consider the Motion and the relief requested therein; and due notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and a hearing having been held; and all objections having been heard and overruled or withdrawn; and after due deliberation and sufficient cause appearing therefore; it is hereby:

ORDERED, that the Motion is GRANTED; and it is further;

ORDERED, that any objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the approval of the

[1] The last four digits of the Debtor's taxpayer identification number are 1002. The Debtor's corporate headquarters and service address is 322 Culver Boulevard, Suite 150, Playa Del Rey, CA 90293.

[2] Capitalized terms used but not otherwise defined here shall have the meanings ascribed to such terms in the Motion.

Motion, and all reservations of rights included therein, are hereby denied and overruled with prejudice; and it is further

ORDERED, that pursuant to sections 105, 1103 and 1109 of the Bankruptcy Code, the Committee is granted leave, standing (including derivative standing), and authority to commence, prosecute, and, if appropriate, settle the causes of action set forth in the Complaint and the Motion; and it is further

ORDERED, nothing in this Order or the Motion shall in any way affect the Committee's rights to seek standing to bring any other or additional causes of actions against any party; and it is further

ORDERED, that this Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.