

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CEC ENTERTAINMENT, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 20-33163 (MI)

(Jointly Administered)

**VERIFIED STATEMENT OF THE
AD HOC LENDER GROUP PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the ad hoc group (the “Ad Hoc Lender Group”) comprised of certain unaffiliated holders of (i) the term loans and revolving loans outstanding under that certain First Lien Credit Agreement, dated as of August 30, 2019 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the June 24, 2020 “Petition Date,” the “First Lien Credit Agreement”), among Debtor CEC Entertainment, Inc., as borrower, Debtor Queso Holdings Inc., the Term Facility Lenders (as defined in the First Lien Credit Agreement), the Revolving Facility Lenders (as defined in the First Lien Credit Agreement), Credit Suisse AG, Cayman Islands Branch, as administrative agent, and other financial institutions party thereto² and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: BHC Acquisition Corporation (0947); CEC Entertainment Concepts, L.P. (3011); CEC Entertainment Holdings, LLC (9147); CEC Entertainment, Inc. (5805); CEC Entertainment International, LLC (8177); CEC Entertainment Leasing Company (4517); CEC Leaseholder, LLC (N/A); CEC Leaseholder #2, LLC (N/A); Hospitality Distribution Incorporated (5502); Peter Piper Holdings, Inc. (6453); Peter Piper, Inc. (3407); Peter Piper Texas, LLC (6904); Peter Piper Mexico, LLC (1883); Queso Holdings Inc. (1569); SB Hospitality Corporation (4736); SPT Distribution Company (8656); and Texas PP Beverage, Inc. (6895). The Debtors’ corporate headquarters and service address is 1707 Market Place Boulevard #200, Irving, TX 75063.

² Debtor Queso Holdings Inc. and the Debtor subsidiaries of CEC Entertainment, Inc. are Guarantors (as defined in the First Lien Credit Agreement) of the obligations under the First Lien Credit Agreement pursuant to (i) that certain Holdings Guarantee and Pledge Agreement, dated as of August 30, 2019, between Queso Holdings Inc. and Credit Suisse AG, Cayman Islands Branch, as agent and (ii) that certain Subsidiary Guarantee Agreement, dated as of August 30, 2019, between the subsidiaries of CEC Entertainment, Inc. named therein, and Credit Suisse AG, Cayman Islands Branch, as administrative agent, respectively.

(ii) the 8.00% Senior Notes due 2022, issued by Debtor CEC Entertainment, Inc. pursuant to that certain Indenture, dated as of February 19, 2014 (such agreement, as amended, modified, or supplemented from time to time, the “Indenture”), among Debtor CEC Entertainment, Inc., as issuer, the Subsidiary Guarantors (as defined in the Indenture) party thereto, and Wilmington Trust, National Association, as trustee, by and through its undersigned counsel, hereby submits this verified statement (the “Verified Statement”), and respectfully states as follows:

1. The Ad Hoc Lender Group engaged Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) on April 14, 2020 to represent it in connection with a potential restructuring of the Debtors.

2. As of the date of this Verified Statement, Akin Gump represents only the Ad Hoc Lender Group. Akin Gump does not represent the Ad Hoc Lender Group as a “committee” (as such term is employed by the Bankruptcy Code and Bankruptcy Rules) and does not undertake to represent the interests of, and is not a fiduciary for, any creditor, party in interest or other entity that has not signed a retention agreement with Akin Gump. In addition, the Ad Hoc Lender Group does not represent or purport to represent any other entities in connection with the Debtors’ chapter 11 cases.

3. Akin Gump has been advised by the members of the Ad Hoc Lender Group that the individual members of the Ad Hoc Lender Group either hold claims, or manage, advise or sub-advise funds and/or accounts that hold claims, against the Debtors’ estates. In accordance with Bankruptcy Rule 2019, attached hereto as **Exhibit A** is a list of the names, addresses and the “nature and amount of all disclosable economic interests” held by each member of the Ad Hoc Lender Group in relation to the Debtors as represented to Akin Gump.

4. The information set forth on **Exhibit A**, which is based on information provided by the applicable Ad Hoc Lender Group members, is intended only to comply with Bankruptcy Rule 2019 and is not intended for any other purpose. By filing this Verified Statement, Akin Gump makes no representation with respect to the amount, allowance, validity, or priority of such claims and reserves all rights with respect thereto. Akin Gump does not own, nor has Akin Gump ever owned, claims against or interests in the Debtors except for claims for services rendered to the Ad Hoc Lender Group.

5. Amounts set forth in this disclosure exclude default interest, costs, fees, redemption premiums or other amounts to which the members of the Ad Hoc Lender Group may be entitled. Nothing contained herein (or the **Exhibit A** hereto) should be construed as a limitation upon, or waiver of, any of the Ad Hoc Lender Group members' right to assert, file and/or amend any claims in accordance with applicable law and any orders entered in these chapter 11 cases.

6. Akin Gump reserves the right to amend or supplement this Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019.

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Dated: July 8, 2020
Houston, Texas

Respectfully Submitted,

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Marty L. Brimmage, Jr.

Marty L. Brimmage, Jr.

State Bar No. 00793386; S.D. Tex. No. 30464

Lacy M. Lawrence

State Bar No. 24055913; S.D. Tex. No. 995675

1700 Pacific Avenue, Suite 4100

Dallas, TX 75201

Telephone: (214) 969-2800

Facsimile: (214) 969-4343

Email: mbrimmage@akingump.com

Email: llawrence@akingump.com

-and-

Ira S. Dizengoff (admitted *pro hac vice*)

Philip C. Dublin (admitted *pro hac vice*)

Jason P. Rubin (admitted *pro hac vice*)

One Bryant Park

New York, New York 10036

Telephone: (212) 872-1000

Facsimile: (212) 872-1002

Email: idizengoff@akingump.com

Email: pdublin@akingump.com

Email: jrubin@akingump.com

Counsel to the Ad Hoc Lender Group

CERTIFICATE OF SERVICE

I certify that on July 8, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas and by U.S. Mail to the U.S. Trustee.

/s/ Marty L. Brimmage, Jr.

Marty L. Brimmage, Jr.

Exhibit A

NAME ¹	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST ²		
		FIRST LIEN TERM LOANS ³	REVOLVING LOANS ⁴	UNSECURED NOTES ⁵
American Money Management Corp.	301 E. Fourth Street 27th Floor Cincinnati, OH 45202	\$2,985,000	\$0	\$0
Arbour Lane Capital Management	777 3rd Avenue 14th Floor New York, NY 10017	\$30,008,000	\$0	\$0
Arena Capital Advisors, LLC, for and on behalf of the funds and accounts it manages	12121 Wilshire Boulevard Suite 1010 Los Angeles, CA 90025	\$15,604,292.07	\$0	\$0
Ares Management LLC	2000 Avenue of the Stars 12th Floor Los Angeles, CA 90067	\$4,974,999.98	\$0	\$0
Bank of Montreal	115 S. LaSalle Street 25th Floor Chicago, IL 60614	\$0	\$19,000,000	\$0

¹ The members of the Ad Hoc Lender Group are listed here (i) as entities that hold disclosable economic interests directly or (ii) on behalf of certain of their affiliates or affiliated investment funds or investment funds, accounts, vehicles or other entities that hold disclosable economic interests that are managed, advised or sub-advised by the members of the Ad Hoc Lender Group.

² In accordance with Bankruptcy Rule 2019, the nature and amount of an institution's "disclosable economic interests" set forth herein are as reported to Akin Gump as of the date hereof.

³ "First Lien Term Loans" means the term loans outstanding under that certain First Lien Credit Agreement, dated as of August 30, 2019 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the June 24, 2020 "Petition Date," the "First Lien Credit Agreement"), among Debtor CEC Entertainment, Inc., as borrower, Debtor Queso Holdings Inc., the Term Facility Lenders (as defined in the First Lien Credit Agreement), the Revolving Facility Lenders (as defined in the First Lien Credit Agreement), Credit Suisse AG, Cayman Islands Branch, as administrative agent, and other financial institutions party thereto. Debtor Queso Holdings Inc. and the Debtor subsidiaries of CEC Entertainment, Inc. are Guarantors (as defined in the First Lien Credit Agreement) of the First Lien Term Loans pursuant to (i) that certain Holdings Guarantee and Pledge Agreement, dated as of August 30, 2019, between Queso Holdings Inc. and Credit Suisse AG, Cayman Islands Branch, as agent (the "Queso Guarantee and Pledge Agreement") and (ii) that certain Subsidiary Guarantee Agreement, dated as of August 30, 2019, between the subsidiaries of CEC Entertainment, Inc. named therein, and Credit Suisse AG, Cayman Islands Branch, as administrative agent (the "Subsidiary Guarantee Agreement"), respectively.

⁴ "Revolving Loans" means the revolving loans and exposure with respect to issued and undrawn letters of credit outstanding under the First Lien Credit Agreement. Debtor Queso Holdings Inc. and the Debtor subsidiaries of CEC Entertainment, Inc. are Guarantors of the Revolving Loans pursuant to the Queso Guarantee and Pledge Agreement and the Subsidiary Guarantee Agreement, respectively.

⁵ "Unsecured Notes" means the 8.00% Senior Notes due 2022, issued by Debtor CEC Entertainment, Inc. pursuant to that certain Indenture, dated as of February 19, 2014 (such agreement, as amended, modified, or supplemented from time to time, the "Indenture"), among Debtor CEC Entertainment, Inc., as issuer, the Subsidiary Guarantors (as defined in the Indenture) party thereto, and Wilmington Trust, National Association, as trustee.

NAME	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST		
		FIRST LIEN TERM LOANS	REVOLVING LOANS	UNSECURED NOTES
BlueMountain Capital Management	280 Park Avenue 12th Floor New York, NY 10017	\$9,950,000	\$0	\$0
Carlson Capital, L.P.	2100 McKinney Avenue, Suite 1800 Dallas, TX 75201	\$5,000,000	\$0	\$0
Catalur Capital Management, LP	60 East 42nd Street Suite 2107 New York, NY 10165	\$3,000,000	\$0	\$0
Citibank, N.A.	388 Greenwich Street New York, NY 10013	\$0	\$10,000,000	\$0
Credit Suisse AG, Cayman Islands Branch	Eleven Madison Avenue New York, NY 10010	\$0	\$25,000,000	\$0
Deutsche Bank New York	60 Wall Street New York, NY 10005-2836	\$0	\$25,000,000	\$0
Fidelity Management & Research Co.	200 Seaport Blvd, V13H Boston MA 02210	\$33,336,241	\$0	\$0
Fortress Investment Group LLC	1345 Avenue of the Americas 46th Floor New York, NY 10105	\$10,000,000	\$0	\$0
GSO Capital Partners LP GSO / Blackstone Debt Funds Management LLC	345 Park Avenue 31st Floor New York, NY 10154	\$58,063,250.15	\$0	\$0
Hill Path Capital	150 E. 58th Street 32nd Floor New York, NY 10155	\$64,320,890	\$0	\$29,962,000
Indaba Capital Fund, L.P.	One Letterman Drive Building D, Suite DM700 San Francisco, CA 94129	\$49,255,507.85	\$0	\$0
ICG Debt Advisors	600 Lexington Avenue New York, NY 10022	\$35,583,095.21	\$0	\$0
Jefferies Finance LLC	520 Madison Avenue 16th Floor New York, NY 10022	\$0	\$5,000,000	\$0
J.H. Lane Partners Master Fund, LP	126 E. 56th Street Suite 1620 New York, NY 10022	\$4,241,854.63	\$0	\$0

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		FIRST LIEN TERM LOANS	REVOLVING LOANS	UNSECURED NOTES
Monarch Alternative Capital LP	535 Madison Avenue 26th Floor New York, NY 10022	\$60,890,439	\$0	\$0
MSD Capital, L.P.	645 Fifth Avenue 21st Floor New York, NY 10022-5910	\$24,875,000	\$0	\$0
MSD Partners, L.P.	645 Fifth Avenue 21st Floor New York, NY 10022-5910	\$17,941,518.34	\$0	\$0
Octagon Credit Investors, LLC	250 Park Avenue 15th Floor New York, NY 10177	\$38,220,000	\$0	\$0
Par Four Investment Management LLC	50 Tice Boulevard Suite 314 Woodcliff Lake, NJ 07677	\$6,715,625	\$0	\$0
RFG-Clover LLC	1250 Fourth Street 5th Floor Santa Monica, CA 90401	\$43,812,500	\$0	\$0
Second Lien LLC	200 Greenwich Avenue Greenwich, CT 06830	\$59,700,000	\$0	\$0
UBS AG, Stamford Branch	600 Washington Blvd 10th Floor Stamford, CT 06901	\$0	\$25,000,000	\$0
Wazee Street Capital Management	8101 E. Prentice Avenue Suite 610 Greenwood Village, CO 80111	\$5,502,250	\$0	\$0
Western Asset Management Company, LLC, as investment manager and agent on behalf of certain of its clients	385 E Colorado Boulevard Pasadena, CA 91101	\$22,995,186	\$0	\$0
WhiteStar Asset Management c/o Meredith Hinton	200 Crescent Court Suite 1175 Dallas, TX 75201	\$18,763,231.20	\$0	\$0
ZAIS Group LLC	101 Crawfords Corner Road Suite 1206 Holmdel, NJ 07733	\$20,404,968.67	\$0	\$0