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December 22, 2021

BY E-MAIL

jelenakordic.os@gmail.com

Ms. Jelena Kordić, dipl.iur.
Eugena Kvaternika 44a,
31220 Višnjevac

Re: Adria MM Productions, Ltd

Dear Ms. Kordić:

I provide a summary of proceedings during my representation of Adria MM Productions, Ltd ("Adria") and you, as Adria's Foreign Representative by order of the U.S. Bankruptcy Court.

After Worldwide Entertainment Group, Inc. ("WEG") filed an appeal from the judgment of the district court in favor of Adria, we filed a cross-appeal in the United States Court of Appeals for the Eleventh Circuit from other of the judgments and rulings of the district court that had denied relief to Adria when in our opinion they should have granted relief to Adria. The sums involved in the decisions we appealed are significant, and we believe there is a good chance of increasing Adria's recoveries on appeal. The judgment in Adria's favor is secured by an undertaking posted by a surety for WEG.

In the early stages of the appeal WEG attempted a tactic that had no merit under the law, namely, seeking to have the U.S. Marshal "sell" an asset of Adria's, the judgment in favor of Adria and against WEG, in order to circumvent the issues on appeal. Adria's attorneys in the district court sought an emergency stay of the marshal's sale and I in the Court of Appeals sought an emergency stay of the marshal's sale on the ground of the Croatian bankruptcy and the lack of authority to "sell" a judgment. Both courts denied our motions for an emergency stay. Therefore we filed a chapter 11 petition in the bankruptcy court, which had the immediate effect of staying the marshal's sale. The chapter 11 bankruptcy proceeding was replaced by the chapter 15 bankruptcy proceeding, which was a better fit because it grants recognition to the orders in the Croatian bankruptcy proceeding and gives you the authority to make decisions for Adria with respect to U.S. proceedings. A chapter 15 bankruptcy does not create an immediate stay of proceedings against Adria but we obtained such stay, and your appointment as

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Adria's Foreign Representative, by motion in the bankruptcy court. That decision and your consent authorized me to represent you and Adria in the Court of Appeals and to prosecute the appeal with respect to Adria's claims, while the claims of WEG on appeal were stayed by the bankruptcy stay.

Despite the explicit order of the bankruptcy court and precedent binding on the court, the Court of Appeals declined to allow us to proceed on Adria's claims while WEG's claims on appeal were stayed, on the ground that such an appeal would be "piecemeal". We filed multiple motions on this point and then sought the assistance of the bankruptcy court, through a motion to enforce its earlier order.

The bankruptcy court agreed we were right that Adria had the right to pursue its cross-appeal while WEG's appeal was stayed, but declined to order the Court of Appeals to recognize that, instead inviting the parties to stipulate to relief from the bankruptcy stay to the limited extent of allowing the appeals to go forward without any enforcement of the judgment against Adria. We conferred with counsel for WEG, who refused to enter into such a stipulation, and instead suggested it would be interested in a "settlement" that would give Adria less money than the amount of the judgment in Adria's favor.

We need a further order of the bankruptcy court modifying the bankruptcy stay to avoid the Court of Appeals' concern about piecemeal appeals, and to do what the bankruptcy court hoped the parties would do by stipulation. We have drafted such a motion and expect the bankruptcy court to grant it after the holidays. Then we will immediately ask the Court of Appeals to vacate its stay and to order deadlines for filing the appeal briefs and record and the appeal will proceed like a usual appeal, except that WEG cannot enforce its judgment against Adria or repeat its prior attempt to "sell" an asset that belongs to Adria.

Please feel free to ask any questions you may have. I am sending this to you in both pdf and Word format in case that is convenient.

Best wishes for your safety and health over the holidays and in the new year.

Sincerely,
s/ Carolyn Shields
Carolyn Shields

cc by email:
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