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

In re: RUNITONETIME LLC, et al., Debtors.	Chapter 11 Case No. 25-90191 (ARP) (Jointly Administered)

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 117'S MOTION FOR RECONSIDERATION

International Brotherhood of Teamsters, Local 117 ("Local 117" or "the Union") moves for reconsideration of the court's Order Approving Sale (Dkt. 490). The court's order holds that Maverick Gaming LLC ("Buyer") is not a successor or alter ego of the debtors and debtors in possession (collectively, "Debtors").[1] *See* Dkt. 490. For the reasons explained below, this holding contravenes precedent and public policy. To avoid clear error and manifest injustice, the Union pleads the court to grant this motion and strike Paragraph I of the Order Approving Sale.

BACKGROUND

I. Factual Background

Debtors are a collection of corporations connected to majority owner Eric Persson. *See* Ex.

[1] Because both Buyer and Debtors have done business under the name "Maverick," this motion uses alternative naming for clarity.

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1 ¶ 3. Debtors operate a number of casinos and card rooms in Washington state. *See* Dkt. 1. Some of those locations, including the PokerCo locations at issue in the Order Approving Sale, employ members of the Union and are party to a collective bargaining agreement (CBA). *See* Ex. 1 ¶ 3.

The Union discovered that Debtors had filed for Chapter 11 bankruptcy from the petition filed on July 14, 2025. *See* Dkt. 1. The Union has inquired about future plans for Debtors' businesses but has received little information. For example, the Union learned from the September 17, 2025 "Notice of Auction for Sale" that the Debtors intended to auction off the PokerCo assets on September 19, 2025. *See* Dkt. 450. The Union did not receive any additional information about potential bidders or future plans for the PokerCo business. And because the Union did not have a blanket objection to any sale of Debtors' assets, the Union did not object at that time.

On September 20, 2025, Debtors filed a notice of successful bidders and backup bidders. *See* Dkt. 469. On September 23, 2025, Eric Persson, on behalf of Buyer, submitted a declaration in which he described himself as "the manager of Maverick Gaming LLC." Dkt. 482. Persson did not include the fact that he is also a majority owner of PokerCo and has long been involved in running PokerCo operations. *See id.* Rather, Persson alleges that he did not "control[] or exert[] undue influence over the Debtors with respect to the Sale[.]" *Id.* at 1.

On September 23, 2025, Persson discussed the impending sale of the PokerCo assets on a phone call with Paul Dasher, Secretary Treasurer for the Union. Ex. 1 ¶ 5. Persson commented that, if there was any question over successorship obligations of the Buyer, he would be sure to hire so that less than fifty percent of the Buyer's workforce were union members. *Id.* The Union had not had any prior discussions about successorship with either Debtor or Buyer. In fact, the Union's first significant meeting with Debtors' counsel was not scheduled until September 25, 2025, when the parties met to discuss Debtors' pending proposal to the Union pursuant to 11

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U.S.C. § 1113.

On September 24, 2025, Debtor and Buyer submitted a joint proposed order approving the sale of the PokerCo assets. Dkt. 486. Paragraph I of the proposed order reads:

> Buyer is not an alter-ego of, or a successor to, or a mere continuation of or substantial continuation of any Debtor or its estate, and there is no continuity of enterprise between Buyer and the Debtors as a result of the consummation of the Sale Transaction. Buyer shall not be deemed to be holding itself out to the public as a continuation of any Debtor based on the Sale Transaction, the APA, this Order, or the continuation of the business operations after closing of the Sale Transaction. Buyer is not, and shall not be, considered a successor in interest to any of the Debtors or their estates, by reason of any theory of law or equity, including but not limited to under any federal, state or local statute, regulation or common law, including but not limited to any . . . labor, discrimination or environmental laws. Buyer shall not be deemed to be a "successor employer" for purposes of . . . [the] National Labor Relations Act of 1935, Labor Management Relations Act of 1947 . . . or any other federal or state discrimination, employee, workers' compensation, occupational disease, unemployment, or disability-related laws or regulations.

Dkt. 486 at 5-6. The court adopted the order the same day without alteration. Dkt. 490. Because the Union did not know that Debtors and Buyer intended to seek a ruling on successorship before conclusion of the sale, the Union had not previously objected. And because the court ruled the same day that the proposed order was filed, the Union was unfortunately unable to object before the order was entered. The Union proceeds now on a motion for reconsideration.

II. Procedural Posture

The Union appears before this court as party in interest to the bankruptcy proceedings. Section 1109(b) of the Bankruptcy Code provides that "[a] party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter [11]." The Bankruptcy Code does not strictly define the term "party in interest." But a party in interest "is generally understood to include all persons whose pecuniary interests are directly affected by the bankruptcy proceedings." *In re E.S. Bankest*, 321 B.R. 590,

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594 (Bankr. S.D. Fla. 2005) (citing *In re Alpex Computer Corp.*, 71 F.3d 353, 356 (10th Cir. 1995)). Here, the Union's pecuniary interests are affected by the bankruptcy proceedings. Notably, the proceedings have the ability to modify or reject entirely the CBA between the Union and the Debtors. And, specific to this motion, resolution of the successorship question will determine whether the Purchaser has any obligation to the Union. This is a key interest for the Union and more than adequate to convey party in interest status.

LEGAL STANDARD

"There is no motion for 'reconsideration' in the Federal Rules of Civil Procedure." *Bass v. U.S. Dep't. of Agric.*, 211 F.3d 959, 962 (5th Cir. 2000). But motions for reconsideration filed within ten days of a court's order are typically construed under Rule 59(e). *See id.*; *see also In re Berg*, 383 B.R. 631, 639 (Bankr. W.D. Tex. 2008) (applying same standard in bankruptcy proceedings).

"Reconsideration of a judgment after its entry is an extraordinary remedy that should be used sparingly." *Templet v. HydroChem*, 367 F.3d 473, 479 (5th Cir. 2004). "[S]uch a motion is not the proper vehicle for rehashing evidence, legal theories or arguments that could have been offered or raised before the entry of judgment." *Id.* Instead, Rule 59(e) "serves the narrow purpose of allowing a party to correct manifest errors of law or fact or to present newly discovered evidence." *Id.* To prevail on a motion for reconsideration, a movant must demonstrate: "(1) an intervening change in controlling law; (2) the availability of new evidence not previously available; or (3) the need to correct a clear error of law or prevent manifest injustice." *In re Benjamin Moore & Co.*, 318 F.3d 626, 629 (5th Cir. 2002).

DISCUSSION

I. The Order Approving Purchase contains a clear error of law.

The court may grant a motion for reconsideration in order to "correct a clear error of law."

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In re Benjamin Moore, 318 F.3d at 629. Here, two errors of law require correction. First, the court exceeded its jurisdiction by ruling on successorship under the National Labor Relations Act (NLRA). Second, the court erred in holding that Buyer is not an alter ego of Debtors without conducting any factual analysis.

A. The bankruptcy court does not have jurisdiction to rule on alter ego status.

Paragraph I of the Order Approving Purchase states that "[b]uyer shall not be deemed to be a 'successor employer' for purposes of any federal, state or local statute . . . including but not limited to the . . . National Labor Relations Act of 1935[.]" Dkt. 490 at 5. But ruling on whether a company is a successor or alter ego of another for purposes of the NLRA or other federal labor law statutes is beyond the jurisdiction of the bankruptcy court.

The foundational case on this issue comes from the Second Circuit. *In re Goodman*, 873 F.2d 598 (2d Cir. 1989) addressed who had jurisdiction over a successorship dispute following bankruptcy proceedings. *Id.* at 600. During the underlying bankruptcy proceedings, the debtor created a new company, Goodman Automatic Sprinkler Company. *Id.* The union, whose members had been employed by the bankruptcy debtor, believed that the Goodman Automatic Sprinkler Company was an alter ego of the debtor. *Id.* at 600-01. The union filed with the National Labor Relations Board (NLRB) putting forward its alter ego theory and claiming that Goodman Automatic Sprinkler Company engaged in unfair labor practices. *Id.* Goodman Automatic Sprinkler Company believed that the NLRB proceedings violated the Chapter 7 discharge and sought an injunction against the union in bankruptcy court. *Id.* at 601. The bankruptcy court issued the injunction against the union, and the union appealed to the Second Circuit. *Id.*

The question before the Second Circuit was whether the bankruptcy court or the NLRB had jurisdiction to consider the successorship question. *Id.* at 602. The Second Circuit ultimately held that "[w]hether a new employer is an alter ego of, or a successor to, an earlier employer for

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purposes of liability under the NLRA is a question of substantive federal labor law." *Id.* at 602-03. The Labor Board "has expertise in adjudicating successorship issues" and has an interest in uniformity in successorship determinations. *Id.* at 603. "Thus, the question of successorship normally falls within the Labor Board's primary jurisdiction." *Id.*

The only exception to this jurisdictional rule is when the successorship issue is collateral to the bankruptcy proceedings. *Id.* This is a higher standard than having any connection, no matter how tenuous, to bankruptcy law. To be collateral, the question of successorship must be a prerequisite to the bankruptcy court's resolution of an "independent federal remedy." *Id.*

The Fifth Circuit adopted the same logic in *N.L.R.B. v. Laborers' Int'l Union of N. Am., AFL-CIO*, 882 F.2d 949 (5th Cir. 1989). Citing to *In re Goodman*, the Fifth Circuit held that "[t]he question of whether a new entity, be it an employer or labor organization, is a successor, disguised continuance, or alter ego of another entity is a question of substantive labor law which could not have been decided, in this case, by the bankruptcy court." *Laborers' Int'l Union*, 882 F.2d at 955.

Under this precedent, the bankruptcy court does not have jurisdiction to find that the purchaser is not a successor or alter ego of Debtors under the NLRA. Questions of successorship pursuant to the NLRA are rooted in substantive labor law and are appropriately resolved by the Labor Board. *Id.* Although the bankruptcy court *could* have jurisdiction over successorship if the question was collateral to another issue, no such issue exists here. Therefore, to correct a clear error of law, the court must grant the motion to reconsider and strike paragraph I from the order, at least to the extent it applies to federal labor law.

B. The bankruptcy court did not perform a factual analysis, as required by precedent.

Even if this court had jurisdiction to consider whether the purchaser is Debtors' successor for the purposes of labor law, the court should still grant the motion to reconsider because the

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Order Approving Sale did not perform any factual analysis.

In determining whether a business is the alter ego of a predecessor in the context of labor relations, the Fifth Circuit relies on decisions from the NLRB. *See Carpenters Loc. Union No. 1846 of United Bhd. of Carpenters & Joiners of Am., AFL-CIO v. Pratt-Farnsworth, Inc.*, 690 F.2d 489 (5th Cir. 1982), *amended*, (5th Cir. Dec. 8, 1982). And the Labor Board considers the following factors: (1) common ownership and management; (2) common business purpose; (3) nature of the operations and supervision; (4) common premises or equipment; (5) customers in common; (6) nature and extent of the negotiation and formalities surrounding the transaction between predecessor and current business; and (7) whether the alter ego was created to evade responsibilities under the NLRA. *See Herbert N. Zimmerman, Inc., d/b/a Kanowsky Furniture*, 314 NLRB 107, 110-11 (1994). "Resolution of the alter ego issue is heavily fact-specific[.]" *U.S. Jon-T Chemicals, Inc.*, 768 F.2d 686, 694 (5th Cir. 1985) (discussing alter ego doctrine in context of subsidiary company).

The bankruptcy court did not provide any factual analysis in holding that the Buyer is not an alter ego of Debtors. The absence of any analysis is not enough to satisfy the test set out by the NLRB. *See Carpenters Loc.*, 690 F.2d 489. Further, if the bankruptcy court *did* perform the factual analysis, it would discover that most of the relevant facts either support a finding of alter ego status or are not yet available.

1. The relevant facts are not yet available.

As other courts have recognized, whether an alleged successor company is an alter ego of its predecessor may depend on facts not available until after the conclusion of bankruptcy proceedings. *See In re Goodman*, 873 F.2d at 602 (stating that post-petition conduct can give rise to alter ego status). Thus, the inquiry into whether purchaser is Debtors' alter ego is premature in light of all of the relevant information not currently known. Without waiting for Buyer to take over

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operations, this court cannot with any certainty determine whether the customers, management, nature of operations, and business purpose will be the same as Debtors. The Union urges this court to grant the motion for reconsideration and leave the alter ego question for a time when facts exist to better resolve it.

2. To the extent that facts are available, they support a finding that Debtors and Buyer are alter egos.

Further, to the extent that relevant facts *are* available, they support a finding that Buyer is an alter ego of the Debtors. For example, the first factor considers the common management or ownership of the enterprise. *See Herbert N. Zimmerman, Inc.,* 314 NLRB at 110. Here, we know that Eric Persson is involved in key roles at both Debtors' and Buyer's organization. Although other members of management are unknown at this time, the presence of a critical player on both sides of the transaction supports a finding of alter ego status.

Additionally, Persson's statement that he would not hire union members as more than fifty percent of his workforce is strong evidence of intent to evade responsibilities under the Act, as relevant under factor seven.[2] *See id.* at 111. Under Labor Board and Supreme Court precedent, when a purchaser acquires a business and retains the majority employees hired by the debtor, the purchaser becomes a successor and is required to recognize and negotiate with the union. *See Fall River Dyeing & Finishing Corp. v. N.L.R.B.*, 482 U.S. 27, 46-47 (1987). By refusing to hire the number of former employees that would constitute more than fifty percent of the workforce, Persson is clearly attempting to avoid his obligation to recognize and bargain with the union. This factor weighs in favor of finding alter ego status.

[2] Although not the focus of the Union's argument, Persson's statements also constitute "newly discovered evidence" which could justify a motion for reconsideration. *See In re Benjamin Moore & Co.*, 318 F.3d at 629. These statements, made on September 23, 2025, were only discoverable at the same time that an objection to the auction was due. *See* Dkt. 450 at 2.

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II. Denying this motion would cause manifest injustice.

The court is also able to grant a motion for reconsideration when declining to do so would result in a manifest injustice. "The Fifth Circuit has described manifest justice as an elusive concept[,]" and there is no general definition of manifest injustice[.]" *See Gill v. Petroleum Co-Ordinators, Inc.*, 2016 WL 5923519, at *1 (Oct. 11, 2016). "What is clear from case law, and from a natural reading of the term itself, is that a showing of manifest injustice requires that there exist a fundamental flaw in the court's decision that without correction would lead to a result that is both inequitable and not in line with applicable policy." *Alverado v. Texas Rangers*, 2005 WL 1420846, at *3 (W.D. Tex. June 14, 2005) (*quoting In re Bunting Bearings Corp.*, 321 B.R. 420 (Bankr. N.D. Oh. 2004)).

In this case, denying the Union's motion for reconsideration would contravene public policy and Section 1113 of the Code, in addition to unjustly stripping the Union of its rights under the NLRA.

A. Allowing a debtor and a buyer to decide between themselves that they are not alter egos contravenes public policy.

"The purpose of the alter ego doctrine [. . .] is to prevent an employer from evading its obligations under the labor laws 'through a sham transaction or technical change in operations.'" *Retirement Plan of UNITE HERE Nat. Retirement Fund v. Kombassan Holding A.S.*, 629 F.3d 282, 288 (2d Cir. 2010) (*quoting Newspaper Guild of N.Y., Local 3 of the Newspaper Guild, AFL-CIO v. N.L.R.B.*, 261 F.3d 291, 298 (2d Cir. 2001)). Because, in these cases, the existence of two entities is illusory, any consensus among them is meaningless. A debtor and its alter ego have every incentive to claim that they are not the same entity. Thus, this court should not allow the Debtors and the Purchaser to propose their own alter ego status without independent investigation and an opportunity for parties in interest to object. Any other conclusion would erode alter ego

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doctrine to the point of non-existence and, in this case, deny the Union its fair opportunity to argue for alter ego status once the necessary facts are available.

B. Finding that Debtors and Buyer are not alter egos undermines the policy goals of Section 1113.

Section 1113 of the Code, which governs the treatment of CBA, was adopted by Congress in 1984 to provide additional protection to employees in bankruptcy proceedings. *See* § 104:3. Legislative history, 4 Norton Bankr. L. & Prac. 3d. Congress recognized that CBA are different from other contracts and that they require additional protections in bankruptcy proceedings to safeguard the interests of workers. *See id.* For that reason, the Section 1113 procedure requires the court to balance the "debtor's perceived need for relief and flexibility in the reorganization process with labor's desire to protect the jobs and benefits of workers[.]" *Id.* at § 104:4. The debtor is only permitted to make "necessary" modifications to the CBA. *See* 11. U.S.C. § 1113(b)(1)(A). Ultimately, Section 1113 serves to deter companies from using bankruptcy as a judicial tool of union busting.

Allowing Debtors – who are potentially alter egos of the Buyer – to move for successorship determinations in bankruptcy opens the door to the exact behavior that Section 1113 sought to deter. Employers would be able to limit their obligations to a union in a proceeding to which the union is not a direct party and which does not have the heightened protective standards of Section 1113. This contravenes public policy and should be rejected by the court.

CONCLUSION

In order to correct a clear error of law and to prevent manifest injustice to the Union, the Union respectfully moves for reconsideration.

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RESPECTFULLY SUBMITTED this 8th day of October, 2025.

s/Danielle Franco-Malone
Danielle Franco-Malone, WSBA No. 40979*
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s/Dmitri Iglitzin
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: RUNITONETIME LLC, et al., Debtors.	Chapter 11 Case No. 25-90191 (ARP) (Jointly Administered)

DECLARATION OF PAUL DASCHER IN SUPPORT OF THE MOTION FOR RECONSIDERATION

I, Paul Dascher, declare under penalty of perjury as follows:

1. I am the Secretary Treasurer for the International Brotherhood of Teamsters, Local 117 ("the Union"). I submit this declaration on behalf of the Union and in support of the motion for reconsideration of the Order Approving Sale of PokerCo Assets. *See* Dkt. 490.
2. All facts set forth in this declaration are based upon my personal knowledge. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.
3. I am familiar with Eric Persson because he is the majority owner of the bankruptcy debtor Maverick Washington, LLC, which employs members of the Union. Persson has always

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been the final decision maker as far as I know, even though he has employed others that have spoken for him in the past in roles like President.

4. Eric Persson is also the manager and majority owner of Maverick Gaming, LLC, which intends to purchase the PokerCo assets.

5. I spoke with Persson about the pending sale of the PokerCo assets on September 23, 2025. On that phone call, Persson stated that, if there was any question of successorship with regard to purchaser Maverick Gaming, LLC, that he would not hire union members for more than fifty percent of positions.

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

DATED this 8th day of October, 2025.

Paul Dascher

Paul Dascher
Secretary Treasurer
International Brotherhood of Teamsters
Local 117

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

In re: RUNITONETIME LLC, et al., Debtors.	Chapter 11 Case No. 25-90191 (ARP) (Jointly Administered)

PROPOSED ORDER GRANTING INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 117'S MOTION TO RECONSIDER

THIS MATTER having come before the Court upon International Brotherhood of Teamsters, Local 117's (Teamsters 117) Motion To Reconsider in the above-captioned chapter 11 case, pursuant to Federal Rule of Civil Procedure 59(e), therefore, it is here by:

1. ORDERED that Teamsters 117's Motion to Reconsider is GRANTED; and it is further
2. ORDERED that Paragraph I is stricken from the Court's Order Approving the Sale of PokerCo Assets Free and Clear (Dkt. 490).

DATED: ____________

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Judge

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Presented by:

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