

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

In re: CAFE HOLDINGS CORP., Debtor. Tax I.D. No. 26-2777910	Chapter 11 Case No. 18-____ (____)
In re: CAFE ENTERPRISES, INC., Debtor. Tax I.D. No. 57-0874946	Chapter 11 Case No. 18-____ (____)
In re: CE SPORTZ LLC, Debtor. Tax I.D. No. 45-4982009	Chapter 11 Case No. 18-____ (____)
In re: CES GASTONIA LLC, Debtor. Tax I.D. No. 61-1680863	Chapter 11 Case No. 18-____ (____)

**MOTION FOR ORDER DIRECTING
THE JOINT ADMINISTRATION OF THE DEBTORS' CHAPTER 11 CASES**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) hereby submit this motion for the entry of an order, substantially in the form attached hereto as **Exhibit A**, directing the joint administration of the Debtors’ chapter 11 cases. In support of this

motion, the Debtors submit the *Declaration of Eric Easton in Support of Chapter 11 Petitions and First Day Relief* (the “**First Day Declaration**”). In further support of this motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and Local Civil Rule 83.IX.01, D.S.C. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

3. The bases for the relief requested herein are sections 101(2) and 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”) and Rule 1015(b) of the Bankruptcy Rules.

BACKGROUND

4. On the date hereof (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. Each Debtor is authorized to continue to operate its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee, examiner, or statutory committee has been appointed in these chapter 11 cases.

5. Additional information regarding the Debtors, including their business operations, corporate and capital structure, and the events leading to the Petition Date, is more fully set forth in the First Day Declaration.¹

RELIEF REQUESTED

6. By this motion, the Debtors seek an order, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 1015(b), directing the joint administration of these chapter 11 cases for procedural purposes only. Specifically, the Debtors request that the Clerk of the United States Bankruptcy Court for the District of South Carolina (the “**Clerk of the Court**”) maintain one file and one docket for all of the jointly administered cases under the case number of Cafe Holdings Corp. and that the Clerk of the Court administer the cases under a consolidated caption, as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

In re:

CAFE HOLDINGS CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 18-____ (____)

(Jointly Administered)

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Cafe Holdings Corp. (7910); Cafe Enterprises, Inc. (4946); CE Sportz LLC (2009); and CES Gastonia LLC (0863). The location of the Debtors’ corporate headquarters is 4324 Wade Hampton Blvd., Suite B, Taylors, South Carolina 29687.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Day Declaration.

7. In addition, the Debtors request that a docket entry, substantially similar to the following, be made on the docket of each Debtor's chapter 11 cases (except that of Cafe Holdings Corp.):

An order has been entered in this case in accordance with Rule 1015(b) directing the joint administration of the chapter 11 cases of Cafe Holdings Corp., Cafe Enterprises, Inc., CE Sportz LLC, and CES Gastonia LLC. **All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 18-_____ (_____).**

BASIS FOR RELIEF

8. Pursuant to Bankruptcy Rule 1015(b), if two or more petitions are pending in the same court by or against a debtor and an affiliate, "the court may order a joint administration of the estates." Fed R. Bankr. P. 1015(b). Section 105(a) of the Bankruptcy Code also provides the Court with the power to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]."

9. Joint administration is non-controversial, and "generally involves the combination of estates for administrative matters by using a single docket." *In re Pack*, C/A No. 03-05021-jw, slip op. at 1 (Bankr. D.S.C. Aug. 29, 2003); *see also In re The Merit Group, Inc., et al.*, C/A 11-3216-hb (Bankr. D.S.C. May 17, 2011); *In re BI-LO, LLC*, C/A 09-2140-hb (Bankr. D.S.C. March 24, 2009); *In re Polymer Group, Inc.*, C/A 02-05773-jw (Bankr. D.S.C. May 13, 2002); *In re Flagstar Holdings, Inc.*, C/A 97-05431-wb (Bankr. D.S.C. July 11, 1997).

10. As described in the First Day Declaration, Cafe Enterprises, Inc., CE Sportz LLC, and CES Gastonia LLC are directly or indirectly-owned 100% subsidiaries of Cafe Holdings Corp. and, therefore, all these Debtors are "affiliates" as defined in section 101(2) of the Bankruptcy Code. Given the commercial and corporate relationships among the Debtors, joint

administration of these chapter 11 cases will provide administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings and orders that will arise in these chapter 11 cases will affect each and every Debtor. Thus, the entry of an order directing joint administration of these cases will reduce fees and costs by, for example, obviating the need for duplicative filings and objections. Moreover, joint administration will also simplify supervision of the administrative aspects of these cases by the Office of the United States Trustee for the District of South Carolina and allow all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

11. Further, joint administration of these chapter 11 cases will not give rise to any conflicts of interest among the Debtors' estates, nor will it prejudice or adversely affect the rights of the Debtors' creditors, because the Debtors seek only administrative, not substantive, consolidation of their estates. Parties in interest will not be harmed by the relief requested, but, instead, will benefit from the cost reductions associated with the joint administration of these cases.

12. For these reasons, the Debtors respectfully submit that the joint administration of these cases is appropriate and is in the best interests of the Debtors, their estates, their creditors and all other parties in interest, and therefore this motion should be granted.

NOTICE

13. Notice of this motion has been provided to the following parties: (i) the Office of the United States Trustee for the District of South Carolina; (ii) the Office of the United States Attorney General for the District of South Carolina; (iii) the Internal Revenue Service; (iv) Atalaya Administrative LLC; (v) ACM Fatz VII LLC; (vi) Midtown Madison Management LLC;

(vii) Shrayne Capital, LLC; (viii) Benefit Street Partners; (ix) Milestone Partners; (x) Old Mill Stream, LLC; (xi) Triangle Mezzanine Fund LLLP; (xii) Sysco; (xiii) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (xiv) all parties who, as of the filing of this motion, have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002; and (xv) all applicable government agencies to the extent required by the Bankruptcy Rules and the Local Rules. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

14. The Debtors have not previously sought the relief requested herein from this or any other Court.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein, and (b) grant such other and further relief as is just and proper.

McNAIR LAW FIRM, P.A.

November 15, 2018

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EXHIBIT A

Proposed Order