

UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re:

CAFE HOLDINGS CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 18-05837(hb)

(Jointly Administered)

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN
PREPETITION CLAIMS (A) ARISING UNDER THE PERISHABLE AGRICULTURAL
COMMODITIES ACT AND SIMILAR TRUST FUND STATUTES, (B) OF OTHER
LIEN CLAIMANTS, AND (C) OF CERTAIN CRITICAL VENDORS, (II) GRANTING
CERTAIN RELATED RELIEF**

Upon consideration of the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), for the entry of an order (this “**Interim Order**”), (i) authorizing, but not directing, the Debtors, in their sole discretion, to pay certain (a) PACA Claims, (b) Lien Claims, and (c) Critical Vendor Claims in the ordinary course of business as such claims come due, and (ii) authorizing the Banks, when requested by the Debtors in their sole discretion, to receive, process, honor, and pay all checks and electronic payment requests related to the Claims, all as set forth more fully in the Motion; and upon consideration of the Motion and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it

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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

appearing that venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and creditors; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, in their sole discretion, to pay or otherwise satisfy valid PACA Claims, as determined by the Debtors in their sole discretion, in the ordinary course of business in an aggregate amount not to exceed \$50,000.
3. Any PACA Vendor who accepts payment from the Debtors in satisfaction of its valid PACA Claim will be deemed to have waived any and all claims of whatever type, kind, or priority against the Debtors, their property, their estates, and any PACA Trust Assets, but only to the extent of the payment received by such PACA Vendor on account of its PACA Claim.
4. The Debtors are authorized, but not directed, in their sole discretion, to pay or otherwise satisfy in the ordinary course of business all valid Lien Claims in an aggregate amount not to exceed \$25,000.
5. The Debtors are authorized, but not directed, in their sole discretion, to pay or otherwise satisfy all valid Critical Vendor Claims, in the ordinary course of business in an aggregate amount not to exceed \$50,000. With respect to Critical Vendors that were not included on the list of Critical Vendors that the Debtors provided to the U.S. Trustee, payment of such Critical Vendors' claims is permitted only after five days' notice to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases.
6. The Debtors shall provide the Office of the United States Trustee and any statutory committee appointed in these Chapter 11 cases with a weekly report containing a list of payments

made in the prior week pursuant to this Interim Order, including the date the payment was made, the amount of the payment, and the identity of the recipient.

7. The Debtors shall use their commercially reasonable efforts to cause Critical Vendors to enter into a Vendor Agreement with the Debtors substantially similar to that attached as Exhibit D to the Motion as a condition of payment of their Critical Vendor Claims; *provided, however*, that the Debtors, after consulting with any statutory committee appointed in these Chapter 11 cases, may modify any of the terms of the Vendor Agreement set forth in Exhibit D to the Motion (with such modified terms becoming part of the Vendor Agreement), including the Customary Trade Terms, if the Debtors determine, in the exercise of their business judgment, that such modifications are necessary to avoid irreparable harm to the Debtors and their estates and are otherwise in the best interest of the Debtors and their estates.

8. Notwithstanding the absence of a Vendor Agreement with a Critical Vendor, the Debtors are authorized to make payments on the prepetition claim of any Critical Vendor if, after the Debtors have undertaken diligent efforts to enter into a Vendor Agreement with such Critical Vendor, the Debtors determine that such payment is necessary to avoid irreparable harm to the Debtors and their estates and is otherwise in the best interest of the Debtors and their estates

9. The Debtors may also condition the payment of any Lien Claim on the Vendor entering into a Vendor Agreement substantially similar to that attached as Exhibit D along with any modified terms the Debtors believe are necessary, reasonable, appropriate and in the best interest of their estates (with such modified terms becoming part of the Vendor Agreement).

10. In the event that any Vendor that has entered into a Vendor Agreement and refuses to continue to provide goods and services, as applicable, on an uninterrupted basis, to the Debtors in accordance with the terms of the applicable Vendor Agreement, without further order of this

Court and in their sole discretion, the Debtors shall be authorized to deem the payments made to any such Vendor to have been in payment of any then-outstanding post-petition claims of such Vendor and deem any applicable Vendor Agreement to be terminated. If this situation arises, the previously paid Claims of the Vendor shall be reinstated as Claims in the amount deemed by the Debtors to have been in payment of any then-outstanding post-petition claims of such Vendor. To the extent that the payments made to the Vendor on account of the previously paid Claims exceed the post-petition amounts then owed to such Vendor, all rights of the Debtors and their estates to recover such payments shall be reserved.

11. The Debtors' Banks shall be, and hereby are, authorized, when requested by the Debtors in their sole discretion, to receive, process, honor, and pay any and all checks or electronic fund transfers drawn on the Debtors' bank accounts to pay all Claims, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments.

12. The Debtors' Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Interim Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Interim Order.

13. Nothing in the Motion or this Interim Order, nor as a result of any payment made pursuant to this Interim Order, shall be deemed or construed as (a) an admission as to the validity, priority or amount of any claim or lien against the Debtors or their estates or an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, or (b) a waiver of the rights of the Debtors and their estates, or shall impair the ability of the

Debtors and their estates, to contest the validity, priority, and amount of any claims or any payment made pursuant to this Interim Order.

14. The final hearing on the relief sought in the Motion shall be conducted on **December 5, 2018 at 9:30 a.m., Eastern Time**. The deadline to file objections to the entry of the relief sought in the Motion on a final basis is **December 3, 2018 at 4:00 p.m., Eastern Time**. If no objections are filed to the relief sought in the Motion on a final basis, this Court may grant the Motion on a final basis without further notice or hearing.

15. The terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

17. The relief granted herein is subject to any interim or final order of the Court authorizing the Debtors' use of any post-petition financing or cash collateral.

18. Notwithstanding anything to the contrary herein, any payments authorized to be made pursuant to this Interim Order shall be made only to the extent authorized under the cash collateral and debtor-in-possession financing budget approved by the Court in effect as of the time such payment is to be made.


19. Notice of the Motion satisfied the requirements set forth in Bankruptcy Rule 6004(a).

20. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Interim Order.

AND IT IS SO ORDERED.

**FILED BY THE COURT
11/20/2018**




US Bankruptcy Judge
District of South Carolina

Entered: 11/20/2018

Certificate of Notice Page 7 of 7
United States Bankruptcy Court
District of South Carolina

In re:
Cafe Holdings Corp.
Debtor

Case No. 18-05837-hb
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0420-7

User: richardso
Form ID: pdf01

Page 1 of 1
Total Noticed: 9

Date Rcvd: Nov 20, 2018

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Nov 22, 2018.

- db +Cafe Holdings Corp., 4324 Wade Hampton Blvd., Ste. B, Taylors, SC 29687-2243
aty +Craig S. Ganz, Ballard Spahr, 1 East Washington Street, Ste. 2300, Phoenix, AZ 85004-2555
aty +David L. Staab, Haynes and Boone, LLP, 301 Commerce Street, Suite 2600, Fort Worth, TX 76102-4160
aty +Ian T. Peck, Haynes and Boone, LLP, 2323 Victory Avenue, Suite 700, Dallas, TX 75219-7673
aty +J. Frasher Murphy, Haynes and Boone, LLP, 2323 Victory Avenue, Suite 700, Dallas, TX 75219-7673
aty +Mary M. Caskey, Haynsworth Sinkler Boyd, PA, 1201 Main Street, Suite 2200, Columbia, SC 29201-3226
aty +Michael DiGiacomo, Ballard Spahr, 1 East Washington Street, Ste. 2300, Phoenix, AZ 85004-2555
aty +Stanley H. McGuffin, Haynsworth Sinkler Boyd, PA, 1201 Main Street, Suite 2200, Columbia, SC 29201-3226
cr +STORE Master Funding V, LLC, Haynsworth Sinkler Boyd, PO Box 11889, Columbia, SC 29211-1889

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center. NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Nov 22, 2018

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on November 20, 2018 at the address(es) listed below:

- David Brian Wheeler on behalf of Creditor Old Mill Stream, LLC davidwheeler@mvalaw.com
John Timothy Stack on behalf of U.S. Trustee US Trustee's Office John.T.Stack@usdoj.gov
Mary M. Caskey on behalf of Attorney Stanley H. McGuffin mcaskey@hsblawfirm.com, awilloughby@hsblawfirm.com;uveguilla@hsblawfirm.com;cwilliamson@hsblawfirm.com
Mary M. Caskey on behalf of Attorney Mary M. Caskey mcaskey@hsblawfirm.com, awilloughby@hsblawfirm.com;uveguilla@hsblawfirm.com;cwilliamson@hsblawfirm.com
Mary M. Caskey on behalf of Attorney Michael DiGiacomo mcaskey@hsblawfirm.com, awilloughby@hsblawfirm.com;uveguilla@hsblawfirm.com;cwilliamson@hsblawfirm.com
Mary M. Caskey on behalf of Creditor STORE Master Funding V, LLC mcaskey@hsblawfirm.com, awilloughby@hsblawfirm.com;uveguilla@hsblawfirm.com;cwilliamson@hsblawfirm.com
Mary M. Caskey on behalf of Attorney Craig S. Ganz mcaskey@hsblawfirm.com, awilloughby@hsblawfirm.com;uveguilla@hsblawfirm.com;cwilliamson@hsblawfirm.com
Michael H. Weaver on behalf of Debtor Cafe Holdings Corp. mweaver@mcnair.net, khandrock@mcnair.net
Robin C. Stanton on behalf of Debtor Cafe Holdings Corp. rstanton@mcnair.net, abennett@mcnair.net
US Trustee's Office USTPRegion04.CO.ECF@usdoj.gov
Weyman C. Carter on behalf of Debtor Cafe Holdings Corp. wcarter@mcnair.net, dhayes@mcnair.net

TOTAL: 11