

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. 18-05837 (hb)

(Jointly Administered)

**FIRST SUPPLEMENT TO THE DECLARATION OF IAN T. PECK IN
SUPPORT OF THE DEBTORS' APPLICATION UNDER 11 U.S.C. §§ 327(a),
330, AND 1107(b) TO EMPLOY AND RETAIN HAYNES AND BOONE, LLP
AS COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION
NUNC PRO TUNC TO THE PETITION DATE**

I, Ian T. Peck, being duly sworn, state the following under penalty of perjury:

1. My name is Ian T. Peck. I am a member in good standing of the Bar of the State of Texas, and I am admitted to practice before the United States District Courts for the Northern, Southern, Eastern and Western Districts of Texas and the United States Court of Appeals for the Ninth Circuit. There are no disciplinary proceedings pending against me.

2. I am a partner in the law firm of Haynes and Boone LLP ("Haynes and Boone²"), with offices at 2323 Victory Avenue, Suite 700, Dallas, Texas 75219. We are the proposed attorneys for the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am authorized to make this declaration on behalf of Haynes and Boone and submit it in support of the *Debtors' Application Under 11 U.S.C. §§ 327(a), 330, and 1107(b) to Employ and Retain Haynes and Boone, LLP as Counsel for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition* [Docket No. 126] (the "Application"). This declaration is the first supplement to

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 not otherwise defined herein shall have the meaning ascribed to them in the Application.

the *Declaration of Ian T. Peck in Support of the Debtors' Application Under 11 U.S.C. §§ 327(a), 330, and 1107(b) to Employ and Retain Haynes and Boone, LLP as Counsel for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition* (the "Peck Declaration") which is Exhibit A to the Application.

3. Schedule 1 to the Peck Declaration is a list of potential parties-in-interest that Haynes and Boone processed through the System for our representation in this case. Secured creditor Atalaya Capital was processed through Haynes and Boone's System, but was inadvertently omitted from Schedule 1. Haynes and Boone does not have any connections to Atalaya Capital.

4. Haynes and Boone also processed the additional parties-in-interest listed on Exhibit A hereto through the System. Haynes and Boone does not have any connections to any of the parties listed on Exhibit A except Benefit Street Partners. The System revealed that Haynes and Boone does work for Benefit Street Partners completely unrelated to the Debtors. Benefit Street Partners previously waived conflicts and agreed to Haynes and Boone's representation of clients adverse to Benefit Street Partners on matters unrelated to Haynes and Boone's work for Benefit Street Partners. The Debtors have also agreed to waive any conflict based on Haynes and Boone's representation of Benefit Street Partners on matters unrelated to the Debtors and these chapter 11 cases.

5. Haynes and Boone has been paid a total of \$176,999.50 through the day prior to the Petition Date as compensation for services rendered and costs incurred for the one year period prior to the Petition Date. Additionally, Haynes and Boone was paid \$211,281.00 prior to the Petition Date to serve as a Retainer (as defined in the Application) in connection with these chapter 11 cases. The dates and amounts of such payments are as follows:

AMOUNTS PAID FOR SERVICES RENDERED

| Receipt Date | Invoice Number | Type | Wire No. | Amount |
|--------------|-----------------------------|----------------------|----------|-------------------|
| | 21336157 | Bill | | 10,625.00 |
| 11/14/2018 | 21336157 | Receipt | wi314986 | -10,625.00 |
| | | | | 0.00 |
| | 21343133 | Bill | | 26,640.00 |
| 11/14/2018 | 21343133 | Receipt | wi449700 | -8,984.50 |
| 11/14/2018 | 21343133 | Receipt | wi314986 | -17,655.50 |
| | | | | 0.00 |
| | 21344266 | Bill | | 32,005.00 |
| 11/14/2018 | 21344266 | Receipt | wi449700 | -32,005.00 |
| | | | | 0.00 |
| | 21344341 | Bill | | 69,724.50 |
| 11/14/2018 | 21344341 | Receipt ¹ | wi614880 | -10,714.00 |
| 11/14/2018 | 21344341 | Receipt | wi449700 | -59,010.50 |
| | | | | 0.00 |
| | 21344369 | Bill | | 35,329.00 |
| 11/14/2018 | 21344369 | Receipt | wi614880 | -35,329.00 |
| | | | | 0.00 |
| | 21344370 | Bill | | 2,676.00 |
| 11/14/2018 | 21344370 | Receipt | wi614880 | -2,676.00 |
| | | | | 0.00 |
| | TOTAL BILLED / PAID: | | | 176,999.50 |

AMOUNTS PAID FOR RETAINER

| Receipt Date | Wire No. | Amount |
|------------------------|----------|-------------------|
| 11/14/2018 | wi614880 | 51,281.00 |
| 11/15/2018 | wi243880 | 110,000.00 |
| 11/15/2018 | wi441816 | 50,000.00 |
| TOTAL RETAINER: | | 211,281.00 |

¹ Haynes and Boone received this transfer from Keating Marshall PLLC ("Keating"), the Debtors' pre-petition litigation and corporate counsel, at the Debtors' direction. The funds had previously been held as a retainer for Keating's service and were no longer necessary for such purpose.

6. To the extent the Haynes and Boone is owed any money for pre-petition services rendered or expenses advanced, Haynes and Boone waives payment of any such fees or expenses.

7. The disclosures identified above are based upon all information reasonably available to Haynes and Boone at the time of submission of this Declaration. Haynes and Boone will, to the extent necessary, supplement this Declaration as may be required by the Bankruptcy Code and Rules if and when any other relationships exist or are modified such that further disclosure is required.

I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct.

Dated: December 18, 2018

Respectfully submitted,

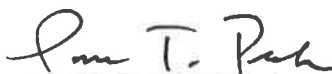
/s/ Ian T. Peck 
Ian T. Peck
Partner, Haynes and Boone, LLP

EXHIBIT A

Additional Parties-in-Interest

Secured Creditors:

Falcon Management
Atalaya Administrative, LLC
ACM Fatz VII, LLC
Benefit Street Partners

Officers/Directors:

Tony Clark
Brian Dukes
Holly Smith
James Billmyer
Brian Harrington
Bob Levine
Jane Melvin
W. Scott Warren

Other Professionals:

Pachulski Stang Ziehl & Jones LLP
Nelson Mullins Riley & Scarborough LLP
Duff & Phelps Securities, LLC
Loughlin Management Partners & Co., Inc.
John Sordillo