

**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)

**MOTION FOR CONTINUANCE OF HEARING
ON MATTERS SCHEDULED FOR DECEMBER 27, 2018**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**” or the “**Company**”) file this motion (the “**Motion**”) to continue hearing scheduled for December 27, 2018 (the “**December 27 Hearing**”) on the following matters:

- *Debtors’ Expedited Motion, Pursuant to Bankruptcy Code Sections 105(a), 363 and 365, and Bankruptcy Rules 2002, 6004 and 6006, for Entry of Orders (I) Approving Sale, Bidding, Notice, and Auction Procedures in Connection with the Sale of Substantially all of the Assets of the Debtors; (II) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; (III) Authorizing the Sale of the Debtors’ Assets Free and Clear of all Liens, Claims, Encumbrances, and Other Interests, and (IV) Granting Related Relief* [Docket No. 106] (the “**Bid Procedures and Sale Motion**”);
- *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection to the Prepetition Lenders, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 15] (the “**DIP Financing Motion**”);
- *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* [Docket No. 126] (the “**H&B Retention Application**”);

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.

- *Debtors' Application to Employ and Retain McNair Law Firm, P.A. as Local Bankruptcy Court to the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 127] (the “**McNair Retention Application**”);
- *Debtors' Application to Employ and Retain Duff & Phelps Securities, LLC as Investment Banker to the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 128] (the “**Duff & Phelps Retention Application**”);
- *Debtors' Application for Entry of Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) Authorizing and Approving Debtor's (I) Retention and Employment of Loughlin Management Partners & Co., Inc. and (II) Employment of John Sordillo as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Docket No. 129] (the “**Loughlin Retention Application**”);
- *Debtors' Application for Entry of an Order Approving the Employment and Retention of Donlin, Recano & Company, Inc. as the Administrative Advisor for the Debtors, Effective Nunc Pro Tunc to the Petition Date* [Docket No. 130] (the “**DRC Retention Application**”);
- *Motion for Entry of an Order Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business Nunc Pro Tunc to the Petition Date* [Docket No. 131] (the “**OCP Retention Application**”); and
- *Debtors' Motion for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Chapter 11 Professionals and Committee Members* [Docket No. 133] (the “**Fee Procedures Motion**”).

In support of this Motion, the Debtors respectfully state as follows:

1. On December 18, 2018, this Court held a hearing (the “**December 18 Hearing**”) on the DIP Financing Motion. After the conclusion of the December 18 Hearing, the Court entered its *Second Interim Order (1) Authorizing the Debtors to Obtain Postpetition Financing on an Interim Basis, Granting Senior Postpetition Security Interests and According Superpriority Administrative Expense Status Pursuant to Sections 364(c) and 364(d) of the Bankruptcy Code, (2) Authorizing the Use of Cash Collateral, (3) Granting Adequate Protection, (4) Modifying the Automatic Stay, and (5) Granting Related Relief* [Docket No. 248] (the “**Second Interim DIP Order**”). The Second Interim DIP Order sets a final hearing on the DIP Financing Motion for

December 27, 2018, the date on which the Bid Procedures and Sale Motion is set, as well as the additional matters listed above.

2. Since the December 18 Hearing, the Debtors have continued active and productive negotiations with Atalaya Administrative LLC, agent in connection with the Debtors' first lien pre-petition debt and debtor-in-possession financing ("**Atalaya**"), and the Official Committee of Unsecured Creditors (the "**Committee**", and together with Atalaya and the Debtors, the "**Parties**") regarding a consensual resolution to issues and objections related to the DIP Financing Motion and the Bid Procedures and Sale Motion, as well as other critical issues in these cases. The Parties require additional time to complete their discussions and to prepare documentation regarding any agreement, and accordingly, the Debtors request that the Court continue the December 27 Hearing to January 8, 2019 at 9:30 a.m. or such other date as is convenient to the Court.

3. Deferring consideration of the matters currently scheduled for the December 27 Hearing will not harm the Debtors or their estates. Moreover, the Parties, as well as the United States Trustee's office and counsel for Old Mill Stream, LLC, MRB, LLC, and M&R Investors, LLC have previously indicated that they will not oppose a continuance of those matters. The Debtors agree that the continuance of all matters set for the December 27 Hearing would be the most efficient use of the Court's and the Debtors' resources.

4. Continuing the matters scheduled for the December 27 Hearing will not prejudice or inconvenience any creditors or parties-in-interest because it is in the best interest of the Debtors, creditors, and parties-in-interest to have an agreement of the Parties concerning the DIP Financing Motion and Bid Procedures and Sale Motion prior to any hearing.

WHEREFORE, the Debtors respectfully request that this Court enter an order continuing the matters set for hearing on December 27, 2018 to January 8, 2019 at 9:30 a.m., and for such other and further relief as is just.

McNAIR LAW FIRM, P.A.

December 21, 2018

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