

**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)

**ORDER REGARDING AGREEMENT WITH
LOUGHLIN MANAGEMENT PARTNERS & CO., INC.**

Upon the application (the “**Application**”)² of the above-captioned debtors and debtors-in-possession (the “Debtors”), for entry of an order (the “**Order**”) pursuant to 11 U.S.C. §§ 105(a) and 363(b) regarding an agreement between Debtors and Loughlin Management Partners & Co., Inc. to provide John Sordillo as Chief Restructuring Officer and certain additional personnel *nunc pro tunc* to the Petition Date; and upon the Declaration of John Sordillo annexed thereto as **Exhibit A** and the First and Second Supplemental Declarations of John Sordillo filed thereafter; it appearing that the relief requested therein is in the best interests of the Debtors’ estates, its creditors and other parties in interest; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409; 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 All capitalized terms used but otherwise not defined herein shall have the meaning set forth in the Application.

appearing that notice of the Application was appropriate under the circumstances and that no other or further notice need be given; and without objection after notice and a hearing, it is HEREBY ORDERED:

1. The Application is granted *nunc pro tunc* to the Petition Date as set forth herein.
2. The Debtors are authorized, pursuant to Bankruptcy Code §§ 105(a) and 363(b), to retain Loughlin to provide Mr. Sordillo as Chief Restructuring Officer in these Chapter 11 cases in accordance with (and on the terms described in) the Application, the Engagement Letter, and this Order, and Loughlin is authorized to perform the services described therein; provided, however, that Loughlin will not perform services related to the preparation of information required by the Bankruptcy Court and bankruptcy proceedings, including the preparation of materials required for filing of first day orders, budgets, statements of financial affairs and related schedules.
3. The fees and expenses incurred by Loughlin in completion of its services under the Engagement Letter shall be treated as administrative expenses of the Debtors' Chapter 11 estates and paid in full by the Debtors in the ordinary course of business as provided herein.
4. The Debtors are permitted to indemnify Mr. Sordillo, who is serving as Debtor's Chief Restructuring Officer, on the same terms as provided to the Debtors' other officers and directors under the Debtors' by-laws, certificates of incorporation, by contract or otherwise.
5. The Debtors are permitted to indemnify Loughlin and its affiliates as set forth in the Engagement Letter.
6. The terms of the Engagement Letter, including without limitation, the fee provisions and the indemnification provisions, as modified by this Order, are reasonable terms and conditions of employment and are hereby approved; subject to the following terms, which apply notwithstanding anything in the Engagement Letter or the Application to the contrary:

(i) All requests by Indemnified Persons for the payment of indemnification, contribution or otherwise as set forth in the Engagement Letter during the pendency of these Chapter 11 cases shall be made by means of an application to the court and shall be subject to review by the court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter and is reasonable under the circumstances of the litigation or settlement in respect of which indemnity is sought; *provided that* in no event shall any Indemnified Person be indemnified in the case of its own gross negligence or willful misconduct;

(ii) In the event an Indemnified Person seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the payment of an indemnity claim pursuant to the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in Loughlin's Monthly Statements (as defined below), and such invoices and time records shall be subject to any Compensation Procedures Order and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code;

(iii) In the event the Debtors seek to have Loughlin personnel assume executive officer positions that are different than the positions disclosed in the Application, or to materially change the terms of the engagement by either (a) modifying the functions of personnel, (b) adding new executive officers, or (c) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed;

(iv) No principal, employee or independent contractor of Loughlin and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the above-captioned cases;

(v) Loughlin shall file with the Court, and provide notice to the U.S. Trustee and the Committee, reports of compensation earned and expenses incurred on a monthly basis (the "**Monthly Statements**") in accordance with the Compensation Procedures Order. All compensation shall be subject to review by the Court in the event an objection is filed;

(vi) For a period of three (3) years after the conclusion of the engagement, neither Loughlin nor any of its affiliates shall make any investments in the Debtors, or any of the reorganized Debtors;

(vii) Loughlin shall disclose any and all facts that would reasonably be expected to have a bearing on whether Loughlin, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or

for any other reason. The disclosure obligation set forth in this sub-paragraph is a continuing obligation.

7. Loughlin shall file with the Court (with copies to the required notice parties as set forth in the Compensation Procedures Order) a report of staffing and compensation on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned, a summary chart that describes the compensation earned by each executive officer and staff employee and itemizes the expenses incurred for the relevant period, and a time report indicating the time incurred (in hourly increments) on a daily basis and the general categories of service provided during such day. The Notice Parties shall have 21 days after the date each staffing report is served on the Notice Parties to object to such staffing report. In the event an objection is raised and not consensually resolved between the Debtors and the objecting party, all staffing and compensation shall be subject to review by the Court. No payments shall be made to Loughlin on account of the objected to portion of such staffing report until such objection is resolved by the parties or by further order of the Court.

8. To the extent there is any inconsistency between the terms of the Engagement Letter, the Application, and this Order, the terms of this Order shall govern.


9. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

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

AND IT IS SO ORDERED.

**FILED BY THE COURT
01/08/2019**




US Bankruptcy Judge
District of South Carolina

Entered: 01/08/2019

Certificate of Notice Page 5 of 6
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 Page 1 of 2 Date Rcvd: Jan 08, 2019
Form ID: pdf01 Total Noticed: 1

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on
Jan 10, 2019.

aty +Ian T. Peck, Haynes and Boone, LLP, 2323 Victory Avenue, Suite 700,
Dallas, TX 75219-7673

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: Jan 10, 2019

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 January 8, 2019 at the address(es) listed below:

- Brandon K. Poston on behalf of Creditor Committee Official Committee of Unsecured Creditors
keith.poston@nelsonmullins.com,
Stephanie.arnold@nelsonmullins.com;linnea.hann@nelsonmullins.com;joan.kishline@nelsonmullins.com;
frank.knowlton@nelsonmullins.com;shane.ramsey@nelsonmullins.com;bsandler@pszjlaw.com
Christine E Brimm on behalf of Creditor Betty B. Tyson cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Christine E Brimm on behalf of Creditor William L. Barrier cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Christine E Brimm on behalf of Creditor Robert B. Barrier cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Christine E Brimm on behalf of Creditor Joel A. Tyson cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Christine E Brimm on behalf of Creditor CGD Real Estate Tennessee, LLC cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Christine E Brimm on behalf of Creditor B&T Sand Company, Inc. cbrimm@bartonbrimm.com,
cfraser@bartonbrimm.com,bbarton@bartonbrimm.com
Craig Solomon Ganz on behalf of Creditor Store Master Funding I, LLC ganzc@ballardspahr.com,
phxdocketingbkr@ballardspahr.com,hartt@ballardspahr.com
Craig Solomon Ganz on behalf of Creditor STORE Master Funding V, LLC ganzc@ballardspahr.com,
phxdocketingbkr@ballardspahr.com,hartt@ballardspahr.com
Daniel K Felker on behalf of Creditor Bruce Dressler dan@hucksandfelker.com,
brandy@hucksandfelker.com
David Brian Wheeler on behalf of Creditor M&R Investors, LLC davidwheeler@mvalaw.com
David Brian Wheeler on behalf of Creditor MRB, LLC davidwheeler@mvalaw.com
David Brian Wheeler on behalf of Creditor Old Mill Stream, LLC davidwheeler@mvalaw.com
Elisabetta G. Gasparini on behalf of U.S. Trustee US Trustee's Office
elisabetta.g.gasparini@usdoj.gov
Eugene B. McLeod, III on behalf of Creditor South Carolina Department of Employment and
Workforce ecf@dew.sc.gov, tmcleod@dew.sc.gov
Francesca Macchiaverna on behalf of Creditor Geoffrey S. Stutchman and Leehouang T.
Stutchman as Trustees for the Stutchman Family Trust, successors-in-interest to Store Capital
Acquisitions, LLC fmacchiaverna@huntermaclean.com, btees@huntermaclean.com
Jane H. Downey on behalf of Creditor Vandelay, LLC jane@mttlaw.com,
jessica@mttlaw.com;corey@mttlaw.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
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District/off: 0420-7

User: richardso
Form ID: pdf01

Page 2 of 2
Total Noticed: 1

Date Rcvd: Jan 08, 2019

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system (continued)

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@burr.com,
khandrock@burr.com
Michael Kevin McCarrell on behalf of Creditor ACM Fatz VII LLC kmccarrell@foxrothschild.com,
eaccetta@foxrothschild.com
Randy A. Skinner on behalf of Creditor Freshpoint North Carolina, Inc.
janice@skinnerlawfirm.com;candicem@skinnerlawfirm.com
Reid E. Dyer on behalf of Creditor Old Mill Stream, LLC reiddyer@mvalaw.com
Reid E. Dyer on behalf of Creditor MRB, LLC reiddyer@mvalaw.com
Reid E. Dyer on behalf of Creditor M&R Investors, LLC reiddyer@mvalaw.com
Robin C. Stanton on behalf of Debtor Cafe Holdings Corp. rstanton@burr.com,
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Stanley H. McGuffin on behalf of Creditor Store Master Funding I, LLC
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Stanley H. McGuffin on behalf of Creditor STORE Master Funding V, LLC
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cwilliamson@hsblawfirm.com;mcaskey@hsblawfirm.com;uveguilla@hsblawfirm.com
Thomas W. Bunch, II on behalf of Creditor East Forest Plaza III, LLC tbunch@bunchlawllc.com,
awilliams@bunchlawllc.com
Tobias G. Ward, Jr. on behalf of Creditor AAA Accurate Backflow Testing and Repair, LLC
tw@tobywardlaw.com
US Trustee's Office USTPRegion04.CO.ECF@usdoj.gov
Weyman C. Carter on behalf of Debtor Cafe Holdings Corp. wcarte@mcnair.net,
dhayes@mcnair.net

TOTAL: 36