

**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)

**NOTICE AND SUMMARY OF THE FIRST MONTHLY STATEMENT OF LOUGHLIN
MANAGEMENT PARTNERS & CO. INC., D/B/A LM+CO, FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES AS CHIEF RESTRUCTURING OFFICER TO
THE DEBTORS FOR THE PERIOD
NOVEMBER 15, 2018 THROUGH DECEMBER 31, 2018**

TAKE NOTICE that Loughlin Management Partner & Co. Inc., (“LM+Co” or the “Applicant”), as Chief Restructuring Officer to the Debtors and Debtors in Possession (the “Debtors”) in the above captioned chapter 11 cases, hereby submits its *First Monthly Statement for Compensation for Services Rendered and Reimbursement of Expenses Advanced as Chief Restructuring Officer to the Debtors and Debtors in Possession for the Period November 15, 2018 through December 31, 2018* (the “Application”) pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members* [Docket No. 313] (the “Fee Procedures Order”).

TAKE FURTHER NOTICE that any response, return and/or objection to this Application, should be filed with the Clerk of the United States Bankruptcy Court for the District of South Carolina, 1100 Laurel Street, Columbia, SC 29201, **no later than twenty-one (21) days from service of this Application** and a copy simultaneously served on (i) the Debtors: 4324 Wade Hampton Blvd., Suite B, Taylors, S.C. 29687, Attn: Eric Easton; (ii) counsel for the Debtors: Haynes and Boone, LLP, Attn: Ian T. Peck, 2323 Victory Avenue, Suite 700, Dallas, TX 75219 and Burr & Forman LLP, Attn: Michael H. Weaver, P.O. Box 11390, Columbia, S.C. 29211; (iii) counsel to Atalya Administrative LLC: Holland & Knight, LLP, Attn: Brent McIlwain, 200 Crescent Court, Suite 1600, Dallas, TX 75201 and Fox Rothschild, Attn: Kevin McCarrell, 2 W. Washington Street, Suite 1100, Greenville, SC 29601-2784; (iv) counsel to the Committee: Pachuslki Stang Ziel & Jones LLP, Attn: Bradford J. Sandler, 919 North Market Street, 17th Floor, Wilmington, DE 19801; and (v) the Office of the United States Trustee, Attn: Elisabetta G. Gasparini: 1835 Assembly Street, Suite 953, Columbia, SC 29201.

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.

TAKE FURTHER NOTICE that no hearing will be held on this Application unless a response, return and/or objection is timely filed and served, and any objection will be treated and resolved in the manner prescribed in the Fee Procedures Order.

TAKE FURTHER NOTICE that pursuant to the Fee Procedures Order, if no objections to the Application are received timely, the Applicant shall request that the Debtors pay the Applicant the sum of **\$15,000.00** which represents 80% of LM+Co's fees and 100% of its expenses for the period covered by the Application.

RESPECTFULLY SUBMITTED this 30th day of January, 2019.

BURR & FORMAN, LLP

/s/ Michael H. Weaver

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- AND -

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

In re:

CAFE HOLDINGS CORP., *et al.*,²

Debtors.

Chapter 11

Case No. 18-05837 (hb)

(Jointly Administered)

**FIRST MONTHLY STATEMENT OF LOUGHLIN MANAGEMENT PARTNERS & CO.
INC., D/B/A LM+CO, FOR COMPENSATION AND REIMBURSEMENT OF
EXPENSES AS CHIEF RESTRUCTURING OFFICER TO THE DEBTORS FOR THE
PERIOD
NOVEMBER 15, 2018 THROUGH DECEMBER 31, 2018**

Name of Applicant: Loughlin Management Partners & Co., Inc.

Role in Case: Chief Restructuring Officer

Date of Retention: January 8, 2019 *nunc pro tunc* to November 15, 2018³

Time Period Covered: November 15, 2018 through December 31, 2018

Amount of Compensation Sought as Actual, Reasonable and Necessary: \$15,000 (80% of \$18,750.00)

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: \$0

Total Amount of Fees and Expenses Sought as Actual, Reasonable and Necessary: \$15,000.00

This is a X Monthly Application ___ Interim Application ___ Final Application

² 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.

³ On January 8, 2019 the Court entered its *Order Authorizing and Approving Debtors' (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]*.

**FIRST INTERIM FEE APPLICATION OF LOUGHLIN MANAGEMENT PARTNERS & CO. INC., D/B/A LM+CO, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES AS CHIEF RESTRUCTURING OFFICER TO THE DEBTORS FOR THE PERIOD
NOVEMBER 15, 2018 THROUGH DECEMBER 31, 2018**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (as amended, the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure, (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) and this Court’s January 4, 2019 *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members* [Docket No.289] (the “Compensation Procedures Order”), Loughlin Management Partners & Company, Inc., (“LM+Co”), hereby submits this first interim fee application (the “First Interim Application”) for compensation of services rendered as financial advisor for the above captioned debtors in possession (collectively, the “Debtors”), seeking approval and payment of professional fees in the amount of \$18,750.00 for the period commencing November 15, 2018 through December 31, 2018 (the “Compensation Period”). In support of this First Interim Application, LM+Co represents as follows:

Jurisdiction

1. The Court has jurisdiction over this matter pursuant to the provisions of 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-2.

Background

2. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' cases.

3. On November 15, 2018, the Debtors filed the *Debtors' Application for Entry of Order Pursuant to 11 U.S.C. §§ 105(a), 363(b) Authorizing and Approving Debtors' (I) Retention and Employment of Loughlin Management Partners & Co., Inc. and (II) Employment of John Sordillo as as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Docket No.129]. On January 8, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for an Order Regarding Agreement with Loughlin Management Partners & Co., Inc.* to provide John Sordillo as Chief Restructuring Officer and certain additional personnel *nunc pro tunc* to the Petition Date [Docket No. 316].

4. Pursuant to the Compensation Procedures Order, each professional may file and serve a monthly fee statement seeking interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the preceding month. If no objections are raised prior to the expiration of the end of the review period (as defined in the Compensation Procedures Order), the Debtors are authorized to pay each professional an amount equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the monthly fee statement; or (ii) the aggregate amount of fees and expenses not subject to an objection.

Relief Requested

5. Through this First Interim Application, and in accordance with the Compensation Procedures Order, LM+Co seeks interim allowance of fees in the amount of \$18,750.00, payment of 80% of that amount equal to \$15,000.00 for services rendered on behalf of the Debtors during the Compensation Period .

6. LM+Co has received no payment and no promises for payment from any source other than the Debtors for services rendered during the Compensation Period in connection with the Debtors' chapter 11 cases. There exists no agreement or understanding between LM+Co and any other person for the sharing of any compensation to be received for services rendered by LM+Co in the Debtors' chapter 11 cases.

7. All services for which compensation is requested by LM+Co pursuant to this Application were performed for or on behalf of the Debtors in these Chapter 11 cases.

8. This is LM+Co's First Monthly Application.

9. LM+Co has maintained detailed records of the time spent in the rendition of professional services to the Debtors during the Compensation Period. Attached hereto as **Exhibit A** and incorporated herein by reference is a summary of total fees billed and hours devoted by each LM+Co professional. Exhibit A includes the date that services were rendered, a detailed, contemporaneous narrative description of the services provided, the amount of time spent for each service and the identity of the professional who performed the service.

10. The general areas in which LM+Co has rendered services to the Debtors during the Compensation Period can be broadly characterized as follows:

- a. Worked with the CFO and CEO to develop strategies for the successful restructuring of the enterprise;
- b. Assistance with the resolution of real estate settlement process;
- c. Assistance with the negotiation of DIP documents;
- d. Review of bid procedures and process
- e. Internal Discussions & Work Product Review – discuss and develop workplan, communicate with Company Management, counsel or advisors and review of work product

11. Pursuant to the Compensation Procedures Order, professionals are entitled to compensation from the Debtors' estates and may be paid 80% of their allowed monthly fees and 100% of allowed expenses. The Compensation Procedures Order specifically provides that all fees and expenses paid remain subject to the Court's final approval and allowance. LM+Co rendered 26.6 hours of professional services during the Compensation Period. The monthly fee arrangement per the LM+Co engagement letter is \$12,500 per month. The period covered by this First Monthly Application is November 15, 2018 through December 31, 2018. The monthly fee has been prorated for the period from November 15, 2018 through November 30, 2018 and the total amount requested is \$18,750. Thus, pursuant to this First Monthly Application, LM+Co seeks interim payment of \$15,000.00 in professional fees during the Compensation Period.

Dated: January 31, 2019

Respectfully submitted,

Loughlin Management Partners & Co., Inc.

By: 

John Sordillo, Managing Director
Loughlin Management Partners & Co., Inc.
20 W. 55th Street
New York, New York 10019
Telephone: (212) 340-8432
Email: jsordillo@lmcopartners.com

PLEASE TAKE NOTICE that pursuant to the Fee Procedures Order, LM+Co files this Application for the period November 15, 2018 through December 31, 2018. The Application contains the following Exhibit:

- **Exhibit “A”** - summary of total fees billed and hours devoted by each professional

EXHIBIT "A"

Loughlin Management Partners & Co., Inc					
Time Entries and Descriptions					
November 15, 2018 through December 31, 2018					
Date	Employee	Hours	Rate	Fees	
11/16/2019	John Sordillo	2.30	\$695.00	\$1,598.50	Review of filing documents
11/20/2019	John Sordillo	1.50	\$695.00	\$1,042.50	Call with Eric Easton re: operations
11/26/2019	John Sordillo	2.00	\$695.00	\$1,390.00	Review of retention applications
11/29/2019	John Sordillo	1.00	\$695.00	\$695.00	Call with Eric Easton re: post-filing status and performance
11/30/2018	John Sordillo	3.50	\$695.00	\$2,432.50	Review of filings and first day orders; Review of operations and landlord negotiations with Eric Easton
12/4/2019	John Sordillo	0.70	\$695.00	\$486.50	Call with Vin Batra, Duff and review of case status
12/5/2019	John Sordillo	1.70	\$695.00	\$1,181.50	Review of MIP and call with Jim Mazany; follow up on liquidity with Eric Easton
12/11/2018	John Sordillo	2.30	\$695.00	\$1,598.50	Call with Eric Easton re: DIP budget and status; Call with restructuring committee; Review of materials
12/12/2018	John Sordillo	0.90	\$695.00	\$625.50	call with Eric Easton re: strategic direction
12/12/2018	John Sordillo	1.00	\$695.00	\$695.00	discussion with Eric Easton, review of DIP order
12/13/2018	John Sordillo	2.30	\$695.00	\$1,598.50	Review DIP order, budget and edit
12/14/2018	John Sordillo	0.70	\$695.00	\$486.50	call with Eric Easton re: status
12/17/2018	John Sordillo	0.50	\$695.00	\$347.50	call with Eric Easton and follow up on DIP and retention
12/18/2018	John Sordillo	0.50	\$695.00	\$347.50	call with Eric Easton re: status of hearing
12/19/2018	John Sordillo	2.50	\$695.00	\$1,737.50	review of bid procedures and global settlement issues
12/20/2018	John Sordillo	0.50	\$695.00	\$347.50	call with Carl Lane re: negotiation
12/20/2018	John Sordillo	0.50	\$695.00	\$347.50	Call with Jim Mazany, regarding status of negotiations and hearing
12/27/2019	John Sordillo	1.30	\$695.00	\$903.50	Follow up on retention motions and call with Eric Easton on MIP
12/27/2019	John Sordillo	0.90	\$695.00	\$695.00	Call with Eric Easton re: hearings and retention
		26.60		\$17,861.50	