

**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

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN ORDER
ESTABLISHING PROCEDURES FOR ALLOWANCE, SETTLEMENT AND
PAYMENT OF CERTAIN ADMINISTRATIVE AND PACA CLAIMS**

Upon consideration of the *Debtors' Motion for Entry of an Order Establishing
Procedures for Allowance, Settlement, and Payment of Certain Administrative and PACA
Claims* (the "**Motion**")²

of the above captioned debtors and debtors in possession (collectively, the "**Debtors**"); and the Court having reviewed the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all the proceedings had before the Court; and after due deliberation thereon; and good and sufficient cause appearing therefore; it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

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 defined herein shall have the meanings ascribed to them in the Motion.[]

2. The Debtors are hereby authorized to implement the Claim Procedures in their entirety as follows:

- (a) **Notice and Claim Schedule.** No later than 3 business days after the entry of this Order, counsel to the Debtors shall serve (i) this Order and (ii) the Notice of Claim Procedures Order annexed hereto as **Exhibit 1**, including **Schedule 1** annexed thereto (the “**Claim Schedule**”), which identifies Administrative and PACA Claims known to the Debtors and provides for an allowed amount of each such claim according to the Debtors’ books and records on all known claimants of the Debtors’ estates (the “**Claimants**”). To the extent that a claimant filed a proof of claim asserting an Administrative and PACA Claim (each, a “**Filed Claim**”) and the Debtors disagree with a portion or all of such amount, the Claim Schedule shall also set forth (i) the amount of the Administrative and PACA Claim asserted in the Filed Claim, (ii) the amount that the Debtors believe is the allowable amount of such Administrative and PACA Claim (the “**Reduced Claim**”), and (iii) the reason the Debtors believe that the Reduced Claim is accurate.
- (b) **Claim Disputes.** If a Claimant or other party-in-interest (i) disputes the amount of their Administrative and PACA Claim according to the Debtors’ books and records and/or the Reduced Claim, or (ii) wishes to assert an Administrative and PACA Claim not included on the Claim Schedule, such Claimant or other party (each an “**Objecting Party**” and collectively, the “**Objecting Parties**”) shall first contact counsel for the Debtors and attempt to informally resolve its dispute consensually, without the need to file a formal claim objection.
- (c) **Objection Deadline.** If the Debtors and the Objecting Party are unable to informally resolve a dispute, the Objecting Party shall be required to file an objection with this Court, together with documentation supporting its objection (each, a “**Claim Objection**”) on or before **4:00 p.m. Eastern Time on March 20, 2019** (the “**Objection Deadline**”) and serve such Claim Objection on (i) counsel to the Debtors, Haynes and Boone, LLP, 2323 Victory Avenue, Suite 700, Dallas, Texas 75219, Attention: Ian T. Peck (email: ian.peck@haynesboone.com), J. Frasher Murphy (email: frasher.murphy@haynesboone.com), and David L. Staab (email: david.staab@haynesboone.com), (ii) Office of the U.S. Trustee, 1835 Assembly Street, Suite 953, Columbia, South Carolina 29201, Attention: Elisabetta G. Gasparini (Facsimile: (803) 765-5260), (iii) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, Attention Bradford Sandler (email:

bsandler@pszjlaw.com), 919 North Market Street, 17th Floor, Wilmington, DE 19801 and Shirley S. Cho (email: scho@pszjlaw.com) and Nelson Mullins Riley & Scarborough LLP, Attention Keith Poston (email: keith.poston@nelsonmullins.com), 1320 Main Street, 17th Floor, Columbia, SC 29201, and (iv) counsel to the Stalking Horse Bidder and First Lien Secured Lender, Holland & Knight LLP, 200 Crescent Court, Suite 1600, Dallas, Texas 75201, Attention: Brent McIlwain (email: brent.mcilwain@hkllaw.com) and Brian Smith (brian.smith@hkllaw.com). In any Claim Objection, the Objecting Party must (i) state the grounds for its objection clearly and with particularity, (ii) identify the party asserting a right to payment and the amount claimed to be owed, and (iii) if the Objecting Party has not previously filed a proof of claim, attach any supporting documentation that they would otherwise attach to a proof of claim.

- (d) **Consequences of Failure to Object. Only claims on the Claim Schedule are entitled to be paid by the Debtor. Any Claimant or other interested party that believes they hold an Administrative or PACA Claim that is not on the Claim Schedule must file a Claim Objection by the Claim Objection Deadline. Any Claimant who does not timely file a Claim Objection shall be barred from (i) subsequently asserting an Administrative and PACA Claim against the Debtors or (ii) challenging the proposed amounts in the Claim Schedule. Any Administrative or PACA Claim that is not identified on the Claim Schedule shall be disallowed and forever barred from assertion against the Debtors and their estates, and such claims shall be deemed waived and released as of the date these cases are dismissed. Notwithstanding the foregoing, the Claim Objection Deadline shall not apply to: (i) any professionals retained in these cases for professional fees; (ii) the United States Trustee for unpaid U.S. Trustee fees; or (iii) cure claims in connection with executory contracts or unexpired leases that will be assumed and assigned in the proposed sale of substantially all of the Debtors' assets.**

- (e) **Claims Hearing.** Debtors' counsel shall be authorized to resolve any Claim Objection without further order of the Court; provided, that the Debtors' counsel shall consult with counsel for the DIP Lender and counsel for the Committee prior to settling such claims. If Debtors' counsel and the Objecting Party cannot agree on a resolution, an omnibus hearing to consider such Claim Objection(s) will be held, subject to the Court's availability, on **April 10, 2018**, **2019** at **10:30 a.m.** Eastern Time (the "Claims Hearing").

- (f) **Waiver of Omnibus Claim Objection Rules.** The Requirements of Bankruptcy Rule 3007, with regard to claims objections and omnibus claims objections, are waived to the extent inconsistent with the Claims Procedures.
- (g) **Payment.** Within three business days of the Court entering an order resolving all Claim Objections (or as soon as reasonably practicable thereafter), the Claimants shall be paid the allowed amount of their respective Administrative and PACA Claims.

4. The Claim Procedures shall be the sole and exclusive method for the reconciliation and payment of Administrative and PACA Claims.

5. The Notice of Claim Procedures Order, substantially in the form attached hereto as **Exhibit 1**, is hereby approved in all respects.

6. To the extent applicable, the 14-day stay to effectiveness of this Order provided by Bankruptcy Rule 6004(h) is waived and this Order shall be effective and enforceable immediately upon entry.

7. The Debtors are authorized to take such steps as may be necessary or appropriate in order to effectuate the relief granted pursuant to this Order.

8. Nothing in this Order shall be construed to prohibit the Debtors from timely satisfying undisputed postpetition administrative claims or postpetition claims asserted under the Perishable Agricultural Commodities Act, 7 U.S.C. § 499(e)(c) (“**PACA**”) of FreshPoint North Carolina, Inc. or FreshPoint Nashville, Inc., in the ordinary course of business, and FreshPoint North Carolina, Inc. reserves the right to apply on an expedited basis to the Court for immediate payment of any undisputed postpetition PACA Claim.

9. To the extent allowed by applicable law, this Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation, interpretation, or enforcement of this or any other Order of this Court entered in the Chapter 11 Cases.

AND IT IS SO ORDERED

Exhibit 1

Claim Procedures Notice

**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 OF PROCEDURES FOR ALLOWANCE, SETTLEMENT,
AND PAYMENT OF CERTAIN ADMINISTRATIVE AND PACA CLAIMS**

(Deadline to File Claim Objection is March 20, 2019)

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY HAVE AN ADMINISTRATIVE AND/OR PACA CLAIM AGAINST THE DEBTORS UNDER SECTION 503 OF THE BANKRUPTCY CODE. YOU SHOULD CAREFULLY REVIEW THIS NOTICE, INCLUDING SCHEDULE 1 ATTACHED HERETO AND THE CLAIM PROCEDURES (AS DEFINED BELOW) AS YOUR RIGHTS MAY BE AFFECTED THEREBY

ONLY CLAIMS ON THE CLAIM SCHEDULE ARE ENTITLED TO BE PAID BY THE DEBTOR. ANY CLAIMANT OR OTHER INTERESTED PARTY THAT BELIEVES THEY HOLD AN ADMINISTRATIVE OR PACA CLAIM THAT IS NOT ON THE CLAIM SCHEDULE MUST FILE A CLAIM OBJECTION BY THE CLAIM OBJECTION DEADLINE. ANY CLAIMANT WHO DOES NOT TIMELY FILE A CLAIM OBJECTION SHALL BE BARRED FROM (I) SUBSEQUENTLY ASSERTING AN ADMINISTRATIVE AND PACA CLAIM AGAINST THE DEBTORS OR (II) CHALLENGING THE PROPOSED AMOUNTS IN THE CLAIM SCHEDULE. ANY ADMINISTRATIVE OR PACA CLAIM THAT IS NOT IDENTIFIED ON THE CLAIM SCHEDULE SHALL BE DISALLOWED AND FOREVER BARRED FROM ASSERTION AGAINST THE DEBTORS AND THEIR ESTATES, AND SUCH CLAIMS SHALL BE DEEMED WAIVED AND RELEASED AS OF THE DATE THESE CASES ARE DISMISSED. NOTWITHSTANDING THE FOREGOING, THE CLAIM OBJECTION DEADLINE SHALL NOT APPLY TO: (I) ANY PROFESSIONALS RETAINED IN THESE CASES FOR PROFESSIONAL FEES; (II) THE UNITED STATES TRUSTEE FOR UNPAID U.S. TRUSTEE FEES; OR (III) CURE CLAIMS IN CONNECTION WITH EXECUTORY CONTRACTS OR

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UNEXPIRED LEASES THAT WILL BE ASSUMED AND ASSIGNED IN THE PROPOSED SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS.

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On November 15, 2018 (the “**Petition Date**”), the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of South Carolina.

2. On [REDACTED]; February 13, 2019, the Court entered an order [Docket No. [REDACTED]] (the “**Claim Procedures Order**”) granting the Debtors’ Motion for Entry of an Order Establishing Procedures for Allowance, Settlement, and Payment of Certain Administrative and PACA Claims [Docket No. [REDACTED]; 358] (the “**Claim Procedures Motion**”) and authorizing and approving (i) procedures (the “**Claim Procedures**”) for the reconciliation, settlement, allowance, and payment of certain claims arising under section 503 of the Bankruptcy Code, as well as claims arising under the Perishable Agricultural Commodities Act (the “**Administrative and PACA Claims**”). Claimants seeking payment of their Administrative and PACA Claim must comply with these Claim Procedures.

3. **Schedule 1** annexed to this notice (this “**Notice**”) and the Claim Procedures Order identifies Administrative and PACA Claims known to the Debtors and provides for an allowed amount of each such claim according to the Debtors’ books and records, on all known claimants of the Debtors’ estates (the “**Claimants**”). To the extent that a claimant filed a proof of claim asserting an Administrative and PACA Claim (each, a “**Filed Claim**”) and the Debtors disagree with a portion or all of such amount, the Claim Schedule also sets forth (i) the amount of the Administrative and PACA Claim asserted in the Filed Claim, (ii) the amount that the Debtors believe is the allowable amount of such Administrative and PACA Claim (the “**Reduced Claim**”), and (iii) the reason the Debtors believe that the Reduced Claim is accurate.

4. If a Claimant or other party-in-interest (i) disputes the amount of their Administrative and PACA Claim according to the Debtors’ books and records and/or the Reduced Claim, or (ii) wishes to assert an Administrative and PACA Claim not included on the Claim Schedule, such Claimant or other party (each an “**Objecting Party** and collectively, the “**Objecting Parties**”) shall first contact counsel for the Debtors and attempt to informally resolve its dispute consensually, without the need to file a formal claim objection.

5. If the Debtors and the Objecting Party are unable to informally resolve a dispute, the Objecting Party shall be required to file an objection with this Court, together with documentation supporting its objection (each, a “**Claim Objection**”) on or before **4:00 p.m. Eastern Time on March 20, 2019** (the “**Objection Deadline**”) and serve such Claim Objection on (i) counsel to the Debtors, Haynes and Boone, LLP, 2323 Victory Avenue, Suite 700, Dallas, Texas 75219, Attention: Ian T. Peck (email: ian.peck@haynesboone.com), J. Frasher Murphy (email: frasher.murphy@haynesboone.com), and David L. Staab (email: david.staab@haynesboone.com), (ii) Office of the U.S. Trustee, 1835 Assembly Street, Suite 953, Columbia, South Carolina 29201, Attention: Elisabetta G. Gasparini (Facsimile: (803)

765-5260), (iii) counsel to the Committee, Pachulski Stang Ziehl & Jones LLP, Attention Bradford Sandler (email: bsandler@pszjlaw.com), 919 North Market Street, 17th Floor, Wilmington, DE 19801 and Shirley S. Cho (email: scho@pszjlaw.com) and Nelson Mullins Riley & Scarborough LLP, Attention Keith Poston (email: keith.poston@nelsonmullins.com), 1320 Main Street, 17th Floor, Columbia, SC 29201, and (iv) counsel to the Stalking Horse Bidder and First Lien Secured Lender, Holland & Knight LLP, 200 Crescent Court, Suite 1600, Dallas, Texas 75201, Attention: Brent McIlwain (email: brent.mcilwain@hkllaw.com) and Brian Smith (email: brian.smith@hkllaw.com). In any Claim Objection, the Objecting Party must (i) state the grounds for its objection clearly and with particularity, (ii) identify the party asserting a right to payment and the amount claimed to be owed, and (iii) if the Objecting Party has not previously filed a proof of claim, attach any supporting documentation that they would otherwise attach to a proof of claim.

6. Only claims on the Claim Schedule are entitled to be paid by the Debtor. Any Claimant or other interested party that believes they hold an Administrative or PACA Claim that is not on the Claim Schedule must file a Claim Objection by the Claim Objection Deadline. Any Claimant who does not timely file a Claim Objection shall be barred from (i) subsequently asserting an Administrative and PACA Claim against the Debtors or (ii) challenging the proposed amounts in the Claim Schedule. Any Administrative or PACA Claim that is not identified on the Claim Schedule shall be disallowed and forever barred from assertion against the Debtors and their estates, and such claims shall be deemed waived and released as of the date these cases are dismissed. Notwithstanding the foregoing, the Claim Objection Deadline shall not apply to: (i) any professionals retained in these cases for professional fees; (ii) the United States Trustee for unpaid U.S. Trustee fees; or (iii) cure claims in connection with executory contracts or unexpired leases that will be assumed and assigned in the proposed sale of substantially all of the Debtors' assets.

7. Debtors' counsel shall be authorized to resolve any Claim Objection without further order of the Court; provided, that the Debtors' counsel shall consult with counsel for the DIP Lender and counsel for the Committee prior to settling such claims. If Debtors' counsel and the Objecting Party cannot agree on a resolution, an omnibus hearing to consider such Claim Objection(s) will be held, subject to the Court's availability, on ~~April 10, 2018~~, 2019 at ~~---~~ -10:30 a.m., Eastern Time (the "Claims Hearing").

8. Within three business days of the Court entering an order resolving all Claim Objections (or as soon as reasonably practicable thereafter), the Claimants shall be paid the allowed amount of their respective Administrative and PACA Claims.

9. Copies of the Claim Procedures Motion and other information regarding the Debtors' chapter 11 cases are available free of charge on the Debtors' case website at: <https://www.donlinrecano.com/Clients/cc/Index> or by contacting the undersigned counsel.

BURR & FORMAN, LLP

January ~~1~~ February, 2019

/s/ Michael H. Weaver

Michael H. Weaver (S.C. Dist. Ct. ID # 9847)
Robin C. Stanton (S.C. Dist. Ct. ID # 7438)
Weyman C. Carter (S.C. Dist. Ct. ID # 5218)
1221 Main Street, 18th Floor
Post Office Box 11390
Columbia, South Carolina 29211
Tel: (803) 799-9800
Fax: (803) 753-3277
mweaver@burr.com
rstanton@burr.com
wcarte@burr.com
*Counsel to the Debtors and
Debtors in Possession*

- AND -

HAYNES AND BOONE, LLP

/s/ Ian T. Peck

Ian T. Peck (admitted *pro hac vice*)
(TX Bar No. 24013306)
J. Frasher Murphy (admitted *pro hac vice*)
(TX Bar No. 24013214)
David L. Staab (admitted *pro hac vice*)
(TX Bar No. 24093194)
2323 Victory Avenue, Suite 700
Dallas, Texas 75219
Tel: (214) 651-5000
Fax: (214) 651-5940
Email: ian.peck@haynesboone.com
Email: frasher.murphy@haynesboone.com
Email: david.staab@haynesboone.com
*Counsel for the Debtors
and Debtors in Possession*

Schedule 1

Claim Schedule

Claim No. (if applicable)	Claimant	Claim Per Debtors' Books and Records	Asserted Filed Amount (if applicable)	Allowed Claim Amount	Reason for Reduced Claim Amount (if applicable)

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Document comparison by Workshare Compare on Wednesday, February 13, 2019 10:07:38 AM

Input:	
Document 1 ID	netdocuments://4828-7541-5944/2
Description	Cafe - Claims Procedures Order
Document 2 ID	netdocuments://4828-7541-5944/3
Description	Cafe - Claims Procedures Order
Rendering set	standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	11
Deletions	8
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	19