

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

CAFÉ HOLDINGS CORP., *et al.*

Debtors.

Case No. 18-05837-hb
Chapter 11

UNITED STATES TRUSTEE’S MOTION FOR STATUS CONFERENCE

The United States Trustee (the “UST”) moves the Court for an order requiring that a status conference be held in these cases. The UST files this motion under 11 U.S.C. § 105(a, d) and the authority granted to the UST by 28 U.S.C. § 586 and 11 U.S.C. § 307. The UST requests the status conference based on the following:

1. On November 15, 2018 (the “Petition Date”), the Debtors each filed a voluntary petition in this Court for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to § 1107(a) and 1108 of the Bankruptcy Code. The Chapter 11 cases are being jointly administered for procedural purposes.

2. On November 28, 2018, the Office of the UST appointed a committee of general unsecured creditors (the “Committee”).

3. On January 15, 2019, the Debtors filed a motion seeking an order approving a global settlement between the Debtors, the Committee, and Atalaya (the “Global Settlement”). *See* ECF Doc. 357.

4. On January 15, 2019, the Debtors also filed a Motion seeking to dismiss the Debtors Chapter 11 Cases (the “Motion to Dismiss”). *See* ECF Doc. 359. The Motion to

Dismiss sought dismissal upon certification to the Court that, among other things “all U.S. Trustee fees attributable to the Debtors have been paid in full.” *Id.* at ¶ 14. The hearing on the Motion to Dismiss has been continued to May 21, 2019.

5. On February 14, 2019, the Court entered an order approving the Global Settlement (the “Global Settlement Order”). *See* ECF Doc. 439. The Global Settlement Order provides that “[t]his Order and the Term Sheet shall be binding upon the Debtors, the DIP Secured Parties, and the Committee.” *See id.* at ¶ 7. Among other things, the Term Sheet provides:

U.S. Trustee Fees and Court. The DIP Secured Parties shall provide sufficient DIP Advances to pay all unpaid, postpetition fees and expenses of the Clerk of the Court and the U.S. Trustee pursuant to 28 U.S.C. §1930(a) in such amount, with respect to the U.S. Trustee, as agreed to by the U.S. Trustee or as determined by the Court.

Id., Term Sheet at pp. 2-3.

6. The Debtors are not current with filing their monthly operating reports. To date, they have filed monthly operating reports for November 2018, December 2018, and January 2019. *See* ECF Docs. 300, 378, and 507. The monthly operating reports for February and March 2019 are past due.

7. The UST’s quarterly fees for the first quarter of 2019 were due at the end of April 2019. Because the Debtors are behind on the filing of their monthly operating reports, it is not possible to know with certainty what the UST quarterly fees will be, but the UST’s system estimates those payments to amount to as follows:

Debtor	Amount
Café Holdings Corp.	\$204,379.00
Café Enterprises, Inc.	\$325
CE Sportz LLC	\$325
CES Gastonia LLC	\$325

8. The UST has made several requests of the Debtors regarding the monthly operating reports and payment of UST fees. To date, however, neither the outstanding monthly operating reports have been filed nor have the outstanding fees been paid.

WHEREFORE, the UST respectfully requests that the Court require that counsel for the Debtor and a representative of the Debtor appear before the Court at a status conference for the purpose of establishing a timetable and conditions for the performance of the Debtors' duties in these cases and obtaining up-to-date information regarding the status of the UST's requests.

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CERTIFICATE OF SERVICE

I, Elisabetta G. Gasparini, do hereby certify that on May 7, 2019, I served the below-named documents upon the parties listed below by electronic mail.

UNITED STATES TRUSTEE'S MOTION FOR STATUS CONFERENCE

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