

SRF 57937

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:)
) Chapter 11
)
CARLSON TRAVEL, INC., *et al.*¹) Case No. 21-90017 (MI)
)
Debtors.) (Joint Administration Requested)
) (Emergency Hearing Requested)

1725650

**DEBTORS' EMERGENCY MOTION FOR
ENTRY OF AN ORDER (I) AUTHORIZING THE PAYMENT OF CERTAIN
PREPETITION TAXES AND FEES AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 7:45 a.m. (prevailing Central Time) on November 12, 2021.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on November 12, 2021, at 7:45 a.m. (prevailing Central Time) in Courtroom 404, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Isgur's homepage. The meeting code is "Judgelsgur." Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Isgur's homepage. Select the case name, complete the required fields and click "Submit" to complete your

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://restructuring.primeclerk.com/CarlsonTravel>. The location of Debtor Carlson Travel, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 701 Carlson Parkway, Mailstop 8206, Minnetonka, MN 55305.

appearance.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”)² state the following in support of this motion (this “Motion”):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the “Order”), (a) authorizing the Debtors to remit and pay Taxes and Fees (as defined below), without regard to whether such obligations accrued prior to the Petition Date, that will become payable during the pendency of these chapter 11 cases, including those obligations subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157 (b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363(b), 507(a)(8), 541, and 1107 of title 11 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and rules 4002-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Local Rules”).

² A description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the *Declaration of Michelle McKinney Frymire, Chief Executive Officer of Carlson Travel, Inc., in Support of First Day Motions* (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), on November 11, 2021 (the “Petition Date”).

The Debtors' Taxes and Fees Obligations

I. Overview of the Debtors' Tax and Fee Obligations.

5. The Debtors collect, withhold, and incur sales, use, value-added, income, and property taxes as well as other business and environmental fees and assessments (collectively, the "Taxes and Fees")³ in the ordinary course of business. The Debtors remit the Taxes and Fees to state and local governments, both domestic and foreign, including taxing and licensing authorities, identified in a schedule attached to the Order as Exhibit A (collectively, the "Authorities").⁴ Taxes and Fees are remitted and paid by the Debtors through checks and electronic funds transfers that are processed through banks and other financial institutions.

6. The Debtors pay the Taxes and Fees to the Authorities on a periodic basis, remitting them monthly, semi-monthly, quarterly, semi-annually, or annually depending on the nature and incurrence of a particular Tax or Fee. In the ordinary course of business, the Debtors pay taxes either directly to the relevant Authorities or by remitting such taxes to non-Debtor Carlson Holdings, Inc., which then pays the Authorities on the Debtors' behalf. The Debtors seek authority to make such payments directly or indirectly, with respect to Taxes and Fees where (a) Taxes and Fees accrued or were incurred prepetition but were not paid prepetition or were paid in an amount less than actually owed, (b) Taxes and Fees paid prepetition by the Debtors were lost or otherwise not received in full by any of the Authorities, or (c) Taxes and Fees incurred for prepetition periods may become due after the commencement of these chapter 11 cases.

³ By this Motion, the Debtors do not seek the authority to collect and remit state and federal employee-related taxes and withholdings. Such relief is instead requested in the *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief*, filed contemporaneously herewith.

⁴ Although Exhibit A to the Order is intended to be comprehensive, the Debtors may have inadvertently omitted Authorities from Exhibit A. By this Motion, the Debtors request relief with respect to Taxes and Fees payable to all Authorities, regardless of whether such Authority is specifically identified on Exhibit A.

7. Failure to pay the Taxes and Fees could materially disrupt the Debtors' business operations in several ways, including that: (a) the Authorities may initiate audits of the Debtors, which would unnecessarily divert the Debtors' attention from the restructuring process; (b) the Authorities may attempt to suspend the Debtors' operations, file liens, seek to lift the automatic stay, or pursue other remedies that would harm the estates; and (c) certain of the Debtors' directors and officers could be subject to claims of personal liability or criminal charges, which would likely distract and disincentive them from their duties related to the Debtors' restructuring and place them at unnecessary personal liability risk. Unpaid Taxes and Fees may result in civil and/or criminal sanctions, material penalties, or the accrual of interest. Finally, the Debtors collect and hold certain outstanding tax liabilities in trust for the benefit of the applicable Authorities, and such funds may not constitute property of the Debtors' estates.

8. The Debtors pay, on average, approximately \$16,547,000 a year in Taxes and Fees to the relevant Authorities. The Debtors estimate that they have accrued approximately \$5,366,000 in Taxes and Fees as of the Petition Date, with potential additional amounts becoming due and owing as a result of Audits and Assessments (defined below). The prepetition Taxes and Fees that will become payable during the chapter 11 cases are summarized as follows:

Category	Description	Approximate Amount Accrued as of Petition Date
Sales, Value-Added, and Use Taxes	Taxes imposed on good and services that are used, consumed, or sold and assessed based on the value of such goods and services.	\$2,835,000
Income and Revenue Taxes	Taxes imposed on the Debtors' income and revenue in and outside of the United States.	\$954,000
Property Taxes	Taxes on real property, and tangible personal property located in particular jurisdictions.	\$479,000

Category	Description	Approximate Amount Accrued as of Petition Date
Environmental, Business, and Other Fees and Taxes	Taxes and fees imposed on the company related to environmental and conservation laws and regulations, business licensing and annual report fees, permitting, participating in state regulatory agencies and boards, and other miscellaneous fees and taxes.	\$1,098,000
Total		\$5,366,000

II. Sales, Value-Added, and Use Taxes.

9. The Debtors operate an international business enterprise in a variety of countries and regions around the world. In connection with such operations, the Debtors incur, collect, and remit sales, use and value-added taxes based on the goods and/or services that are used or consumed and assessed in relation to the value added to such goods and/or services (collectively, the “Sales, VAT, and Use Taxes”). In the ordinary course of business, the Debtors incur Sales, VAT, and Use Taxes at either the point of purchase or the point of sale. Generally, the amount of Sales, VAT, and Use Taxes incurred is as a percentage of the retail price of the good or service purchased, as determined by the applicable Authority. The process by which the Debtors remit Sales, VAT, and Use Taxes varies depending on the Authority. Generally, the Debtors remit Sales, VAT, and Use Taxes on a monthly, quarterly, or a semi-annual basis. In 2020, the Debtors remitted approximately \$11,338,000 in the aggregate to various Authorities on account of Sales, VAT, and Use Taxes. As of the Petition Date, the Debtors estimate that approximately \$2,835,000 in Sales, VAT, and Use Taxes will have accrued and remain unpaid to the relevant Authorities.

III. Income and Revenue Taxes.

10. In the ordinary course of business, the Debtors incur federal, state, local, and foreign income taxes on profits and revenues in the various domestic and foreign jurisdictions in which they operate (collectively the “Income and Revenue Taxes”). The Debtors generally remit

the Income and Revenue Taxes on a monthly or quarterly basis. In certain jurisdictions, the Debtors or customers of the Debtors are required to withhold and remit such Income and Revenue Taxes to the relevant Authority on behalf of the Debtors' trade suppliers or on behalf of the Debtors, respectively. Additionally, in certain jurisdictions the Debtors remit the Income and Revenue Taxes based on their estimated tax liability, resulting in tax credits or overpayments that may be set off against future obligations or refunded to the Debtors or their non-Debtor affiliates depending on the jurisdiction. Failure to pay Income Taxes and Fees would likely enable the applicable Authorities to assert liens or commence enforcement actions against the Debtors. Such liens or enforcement actions would disrupt the Debtors' business operations to the detriment of the Debtors' stakeholders. In 2020, the Debtors paid and withheld or customers withheld approximately \$2,354,000 in Income and Revenue Taxes in the aggregate. As of the Petition Date, the Debtors estimate they have accrued approximately \$954,000 in prepetition Income and Revenue Taxes.

IV. Property Taxes.

11. State and local laws in the jurisdictions where the Debtors operate generally grant Authorities the power to levy property taxes against the Debtors' real and personal property (the "Property Taxes"). In the ordinary course of business, the Debtors lease the majority of the real property where their operations are located. Many of these leases provide that the Debtors will remit applicable Property Taxes to the landlords, and the landlords then remit the Property Taxes to the applicable Authority. In other instances, the Debtors pay the Property Taxes directly to the applicable Authority. To avoid the imposition of statutory liens on their real and personal property, the Debtors generally remit Property Taxes on an annual basis. In 2020, the Debtors

paid approximately \$1,185,000 in Property Taxes in the aggregate. As of the Petition Date, the Debtors estimate that they have accrued approximately \$479,000 in prepetition Property Taxes.

V. Environmental, Business, and Other Fees and Taxes.

12. In the ordinary course of business, the Debtors incur a variety of fees and taxes related to environmental and conservation laws and regulations, business licensing and annual reporting fees, permitting, participation in state regulatory agencies and boards, and other miscellaneous fees and taxes (collectively, the “Environmental, Business, and Other Business Fees and Taxes”). The Debtors generally remit the Environmental, Business, and Other Business Fees and Taxes to the applicable Authorities on a monthly, quarterly, or annual basis, depending on the jurisdiction. In 2020, the Debtors paid approximately \$1,671,000 in Environmental, Business, and Other Business Fees and Taxes. As of the Petition Date, the Debtors estimate that they have accrued approximately \$1,098,000 in prepetition Environmental, Business, and Other Business Fees and Taxes.

VI. Audits

13. The Debtors and their non-Debtor affiliates are currently subject to ongoing audit investigations in various jurisdictions and may be subject to further investigations on account of tax returns and/or tax obligations in prior years (collectively, the “Audits”). The Audits may result in additional prepetition Taxes and Fees being assessed against the Debtors and their non-Debtor affiliates, including interest on late payment of Taxes and Fees (such additional Taxes and Fees, the “Assessments”). The final results of such Audits currently are unavailable and, as a result, the Debtors cannot determine the amount of such potential Assessments. Further, the Authorities may conduct additional Audits in the future, resulting in additional Assessments on account of prepetition Taxes and Fees. The Debtors may contest the Assessments in the ordinary course of

business in appropriate judicial or administrative proceedings and may be required to post cash collateral or letters of credit in connection therewith. Out of an abundance of caution, the Debtors seek authority, but not direction, to pay or remit tax obligations on account of the Audits as they arise in the ordinary course of the Debtors' business, including as a result of any resolutions of issues addressed in an Audit.⁵

Basis for Relief

I. Certain of the Taxes and Fees May Not Be Property of the Debtors' Estates.

14. Many of the Taxes and Fees are collected or withheld by the Debtors on behalf of the applicable Authorities and are held in trust by the Debtors. *See, e.g.*, 26 U.S.C. § 7501; Tex. Tax Code Ann. § 111.016(a) (Vernon 2007) ("Any person who receives or collects a tax or any money represented to be a tax from another person holds the amount so collected in trust for the benefit of the state and is liable to the state for the full amount collected plus any accrued penalties and interest on the amount collected."). As such, these Taxes and Fees are not property of the Debtors' estates under section 541 of the Bankruptcy Code. *See, e.g., Begier v. Internal Revenue Serv.*, 496 U.S. 53, 59 (1990); *Matter of Al Copeland Enters., Inc.*, 991 F.2d 233, 237 (5th Cir. 1993) (noting that a debtor holds state sales tax revenues in trust for the state); *In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 370 (Bankr. S.D. Tex. 2000) ("[C]ertain prepetition tax claims, such as sales taxes, could be trust fund claims."). Because the Debtors may not have an

⁵ In the ordinary course of business, the Debtors from time to time pay or remit tax obligations against certain of their non-Debtors affiliates on account of the Audits. While the Debtors believe that they have authority to pay any such tax obligations on behalf of such non-Debtor affiliates pursuant to any order on the Debtors' *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts, (B) Continue to Perform Intercompany Transactions, and (C) Waive Certain United States Trustee Requirements and (II) Granting Related Relief*, filed contemporaneously herewith, as an ordinary course intercompany transaction, the Debtors, out of an abundance of caution, seek authority, but not direction, to pay or remit such tax obligations against their non-Debtor affiliates as they arise in the ordinary course of the Debtors' business.

equitable interest in funds held on account of such “trust fund” taxes, the Debtors respectfully submit that they should be permitted to pay those funds to the Authorities as they become due.⁶

II. Certain of the Taxes and Fees May Be Secured or Priority Claims Entitled to Special Treatment under the Bankruptcy Code.

15. Claims for certain of the Taxes and Fees are or may be priority claims entitled to payment before general unsecured claims. *See* 11 U.S.C. § 507(a)(8) (describing taxes entitled to priority treatment). To the extent that such amounts are entitled to priority treatment under the Bankruptcy Code, the respective Authorities may attempt to assess fees, interest, and penalties if such amounts are not paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting eighth priority status to “a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss.”). Claims entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code must be paid in full under a confirmable plan pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Therefore, payment of certain of the Taxes and Fees at this time only affects the timing of the payment for the amounts at issue and will not unduly prejudice the rights and recoveries of junior creditors. *See In re Equalnet Commc'ns Corp.*, 258 B.R. at 368 (“[C]ertain types of claims enjoy a priority status in addition to being sometimes critical to the ongoing nature of the business. For instance, employee wage claims and certain tax claims are both priority claims in whole or in part. The need to pay these claims in an ordinary course of business time frame is simple common sense.”).

⁶ For the avoidance of doubt, the Debtors hereby request authority to pay the Taxes and Fees as provided herein regardless of whether such Taxes and Fees constitute trust fund obligations.

III. Payment of the Taxes and Fees Is a Sound Exercise of the Debtors' Business Judgment and Is Required by the U.S. Trustee.

16. Courts in the Fifth Circuit and elsewhere recognize that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. In doing so, these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

17. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs Inc.*, 98 B.R. at 174 (Bankr. S.D.N.Y. 1989) (noting that section 363(b) provides "broad flexibility" to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the "implied duty . . . to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ*, 273 B.R. at 497). Moreover, under section 105(a) of the Bankruptcy Code, "the [C]ourt may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). The above-referenced sections of the Bankruptcy Code authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor's estate, as is the case here. *See, e.g., In re CoServ*, 273 B.R. at 497 ("[I]t is only logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate."). Further, the U.S. Trustee for the Southern District of Texas (the "U.S. Trustee") requires that

debtors pay all tax obligations arising after the filing of the petition in full when due. *See, e.g., Region 7 Guidelines for Debtors-in-Possession.*

18. Here, the Debtors' ability to pay the Taxes and Fees is critical to their continued and uninterrupted operations. If certain Taxes and Fees remain unpaid, the Authorities may seek to recover such amounts directly from the Debtors' directors, officers, or employees, thereby distracting such key personnel from the administration of these chapter 11 cases. *See, e.g., Tex. Tax Code Ann. § 111.016* (Vernon 2007) (persons who hold money paid as a tax for the benefit of the state are liable to the state for the full amount); *In re Tex. Pig Stands, Inc.*, 610 F.3d 937, 941 (5th Cir. 2010) (noting that corporate officers may be held responsible for payment of certain corporate taxes).

19. Any collection action on account of such claims, and any potential ensuing liability, would distract the Debtors and their personnel to the detriment of all parties in interest. The dedicated and active participation of the Debtors' officers and employees is integral to the Debtors' continued operations and essential to the orderly administration and, ultimately, the success of these chapter 11 cases.

20. The Debtors' failure to pay the Taxes and Fees when due ultimately may result in increased tax liability for the Debtors if interest and penalties accrue on the Tax and Fee claims, which amounts may also be entitled to priority treatment. *See, e.g., Tex. Tax Code Ann. § 111.016(a)* (Vernon 2007). Such a result would be contrary to the best interests of the Debtors' estates and all stakeholders. As noted above, many of the Taxes and Fees may be entitled to priority status pursuant to section 507(a)(8)(C) of the Bankruptcy Code. As priority claims, these obligations must be paid in full before any general unsecured obligations of the Debtors may

be satisfied. *See In re Equalnet Commc'ns Corp.*, 258 B.R. at 369 (noting that paying priority tax claim in the ordinary course of business is “simple common sense”).

21. The Debtors’ failure to pay the prepetition Taxes and Fees as they come due may ultimately result in increased tax liability for the Debtors if interest and penalties accrue on the Taxes and Fees, which amounts also may be entitled to priority treatment. Such a result may ultimately increase the amount of priority claims held by the Authorities against the Debtors’ estates to the detriment of the Debtors’ stakeholders. Accordingly, the Debtors respectfully request that the Court grant the Debtors authority to pay the prepetition Taxes and Fees as provided herein.

Emergency Consideration

22. Pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case “to the extent that relief is necessary to avoid immediate and irreparable harm,” and Local Rule 9013-1(i), the Debtors request emergency consideration of this Motion. An immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors’ operations and cause irreparable harm. The failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture and imperil the Debtors’ restructuring. The Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and request that the Court approve the relief requested in this Motion on an emergency basis.

Processing of Checks and Electronic Fund Transfers Should Be Authorized

23. The Debtors have sufficient funds to pay the amounts described herein in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. Under the Debtors’ existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized

payment in respect of the relief requested herein. Checks or wire transfer requests that are not related to authorized payments will not be honored inadvertently. The Debtors request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested herein.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

24. The Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

25. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this Motion are valid, and the rights of all parties

in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

26. Notice of the hearing on the relief requested in this Motion will be provided by the Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Local Rules, and is sufficient under the circumstances. The Debtors will provide notice to parties-in-interest, including: (a) the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) Latham & Watkins LLP and Porter Hedges LLP, as co-counsel to the revolving credit facility agent; (d) Wilmington Savings Fund Society, FSB, as security agent under the Debtors' Revolving Credit Facility; (e) Lloyds Bank PLC, as administrative agent under the Debtors' revolving credit facility; (f) Stroock & Stroock & Lavan LLP, and Lugenbuhl, Wheaton, Peck, Rankin & Hubbard, as co-counsel to an ad hoc group of holders of the Debtors' (i) 10.50% senior secured priming notes due 2025, (ii) 6.75% senior secured notes due 2025, (iii) Euro floating rate senior secured notes due 2025, and (iv) 11.50% senior secured notes due 2026 (collectively, the "Notes"); (g) Paul, Weiss, Rifkind, Wharton & Garrison LLP, and Hunton Andrews Kurth LLP, as co-counsel to an ad hoc group of holders of the Notes; (h) U.S. Bank Trustees Limited, as indenture trustee under the Notes; (i) GLAS Trust Company LLC, as indenture trustee under the Debtors' senior subordinated stub notes due 2027; (j) Dorsey & Whitney LLP, as counsel to certain indirect majority shareholders of the Debtors; (k) Hogan Lovells International LLP, as counsel to the security agent; (l) the United

States Attorney's Office for the Southern District of Texas; (m) the Internal Revenue Service; (n) the United States Securities and Exchange Commission; (o) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (p) the state attorneys general for states in which the Debtors conduct business; (q) the Authorities; and (r) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice is needed.

WHEREFORE, the Debtors request that the Court enter an order granting the relief requested in this Motion and granting such other and further relief as is appropriate under the circumstances.

Houston, TX
November 11, 2021

/s/ Matthew D. Cavanaugh

JACKSON WALKER LLP

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*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Local Rule 9013-1(i).

/s/ Matthew D. Cavanaugh
Matthew D. Cavanaugh

Certificate of Service

I certify that on November 11, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew D. Cavanaugh
Matthew D. Cavanaugh



Carlson Travel, Inc.

Case No. 21-90017

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A KROLL BUSINESS

Carlson Travel, Inc.

MENU

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Case Background

On November 11, 2021, Carlson Travel, Inc. and 37 affiliated debtors (collectively, the "Debtors") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. The cases are pending before the Honorable Marvin Isgur and are jointly administered under Case No. 21-90017.

Important Information & Dates

First Day Hearing

A hearing on the Debtors' First Day Motions was held on November 12, 2021 at 7:45 a.m., prevailing Central Time before the Honorable Marvin Isgur, United States Bankruptcy Court for the District of Southern Texas, 515 Rusk Avenue, Houston, TX 77002.

A final hearing on certain of the First Day Motions will be held on December 6, 2021 at 9:00 a.m. (prevailing Central Time) .

Please click below to view and download the Debtors' First Day Motions:

[First Day Motions](#)

[First Day Orders](#)

Plan & Disclosure Statement

On November 11, 2021, the Debtors filed their Joint Prepackaged Plan of

adequacy of the Disclosure Statement and confirmation of the Plan on November 12, 2021 at 7:45 a.m., prevailing Central Time and the Bankruptcy Court entered an order

confirming the Plan. On November 19, 2021, the Plan became effective.

Please click below to view all documents related to the Debtors' Plan & Disclosure Statement:

Plan & Disclosure Statement

Dates

November

11

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Petition Date

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Final Hearing on
Certain First Day M...

9:00 a.m. (CT)
 [First Day Orde...](#)
 [Add to Calendar](#)

November

19

2021

Effective Date

 [Notice of Occu...](#)
 [Add to Calendar](#)

+ SHOW ALL DATES

- Parties

Debtors' Counsel

Kirkland & Ellis LLP (New York)

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Prime Clerk
A KROLL BUSINESS

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MENU

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Vienna F. Anaya

Victoria N. Argeroplos

- Debtors

Case Number 21-90017**Debtor Name** Carlson Travel, Inc.**Petition Date** November 11, 2021

Case Number 21-90018**Debtor Name** Carlson Travel Holdings, Inc.**Petition Date** November 11, 2021

Case Number 21-90033**Debtor Name** WorldMate, LLC**Petition Date** November 11, 2021

Case Number 21-90034**Debtor Name** CWT US, LLC**Petition Date** November 11, 2021

Case Number 21-90030Prime Clerk
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Petition Date November 11, 2021

Case Number 21-90032

Debtor Name CWT US Holding II, LLC

Petition Date November 11, 2021

Case Number 21-90020

Debtor Name CCI Travel Coöperatief U.A.

Petition Date November 11, 2021

Case Number 21-90023

Debtor Name Carlson Travel B.V.

Petition Date November 11, 2021

Case Number 21-90031

Debtor Name SapoToro B.V.

Petition Date November 11, 2021

Case Number 21-90024

Debtor Name CWT B.V.

Petition Date November 11, 2021

Case Number 21-90038

Debtor Name CWT Global B.V.

Petition Date November 11, 2021

Case Number 21-90026

Debtor Name CWT Beheermaatschappij B.V.

Petition Date November 11, 2021

Case Number 21-90053

Debtor Name CWT Nederland B.V.

Petition Date November 11, 2021

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Debtor Name CWT Spain Holdings I B.V.

Petition Date November 11, 2021

Case Number 21-90039

Debtor Name CWT Diemen B.V.

Petition Date November 11, 2021

Case Number 21-90046

Debtor Name CWT Lux Holding I S.À. R.L.

Petition Date November 11, 2021

Case Number 21-90047

Debtor Name CWT Lux Holding II, S.À. R.L.

Petition Date November 11, 2021

Case Number 21-90028

Debtor Name CWT Belgium SRL

Petition Date November 11, 2021

Case Number 21-90043

Debtor Name CWT International SA

Petition Date November 11, 2021

Case Number 21-90022

Debtor Name CW Travel Canada, Ltd.

Petition Date November 11, 2021

Case Number 21-90025

Debtor Name 152812 Canada Inc.

Petition Date November 11, 2021

Case Number 21-90029

Debtor Name CWT Canada

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Case Number 21-90049

Debtor Name CWT New Holdco Ltd

Petition Date November 11, 2021

Case Number 21-90042

Debtor Name CWT Holdco Limited

Petition Date November 11, 2021

Case Number 21-90027

Debtor Name CWT UK Group Ltd

Petition Date November 11, 2021

Case Number 21-90051

Debtor Name CWT SAS

Petition Date November 11, 2021

Case Number 21-90037

Debtor Name CWT France SAS

Petition Date November 11, 2021

Case Number 21-90052

Debtor Name CWT MEO SAS

Petition Date November 11, 2021

Case Number 21-90044

Debtor Name CWT Ireland Limited

Petition Date November 11, 2021

Case Number 21-90048

Debtor Name CWT Meetings & Events Ireland Limited

Petition Date November 11, 2021

Case Number 21-90035

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Petition Date November 11, 2021

Case Number 21-90045

Debtor Name CWT Italia S.R.L.

Petition Date November 11, 2021

Case Number 21-90021

Debtor Name CWT Travel Services Global España, S.L.U.

Petition Date November 11, 2021

Case Number 21-90040

Debtor Name CWT Global España S.L.U.

Petition Date November 11, 2021

Case Number 21-90016

Debtor Name CWT Finland Holdings Oy

Petition Date November 11, 2021

Case Number 21-90041

Debtor Name CWT Finland Oy

Petition Date November 11, 2021

Case Number 21-90050

Debtor Name CWT Polska sp z o.o.

Petition Date November 11, 2021

Case Number 21-90019

Debtor Name Carlson Wagonlit eCenter Polska sp z o.o.

Petition Date November 11, 2021

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