

Court File No. CV-24-00720567-00CL

**Red Lobster Management LLC, Red Lobster Hospitality LLC,
and Red Lobster Canada, Inc.**

**SECOND REPORT OF THE
INFORMATION OFFICER**

September 9, 2024

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF RED LOBSTER
MANAGEMENT LLC, RED LOBSTER HOSPITALITY LLC,
and RED LOBSTER CANADA, INC.**

**APPLICATION OF RED LOBSTER MANAGEMENT LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

SECOND REPORT OF THE INFORMATION OFFICER

A. INTRODUCTION

1. On May 19, 2024 (the “**Petition Date**”), Red Lobster Management LLC (“**RL Management**”) and certain of its affiliates (collectively, the “**Debtors**”), including Red Lobster Hospitality LLC (“**RL Hospitality**”) and Red Lobster Canada, Inc. (“**RL Canada**”, and together with RL Management and RL Hospitality, the “**Canadian Debtors**”) filed voluntary petitions for relief (collectively, the “**Petitions**” and each a “**Petition**”) in the United States Bankruptcy Court for the Middle District of Florida, Orlando Division (the “**U.S. Bankruptcy Court**”) under chapter 11 of title 11 of the United States Code (the “**U.S. Bankruptcy Code**”). The proceedings before the U.S. Bankruptcy Court commenced by the Petitions are hereinafter referred to as the “**Chapter 11 Cases**”.
2. Several first day motions filed by the Debtors in the Chapter 11 Cases (collectively, the “**First Day Motions**”) for various orders (collectively, the “**First Day Orders**”) were heard before the U.S. Bankruptcy Court on May 21, 2024 (the “**First Day Hearing**”). Following the First Day Hearing, the U.S. Bankruptcy Court granted, among others, the following First Day Orders:

- (a) the Foreign Representative Order;
 - (b) the Wages and Benefits Order;
 - (c) the Insurance Order;
 - (d) the Customer Program Order;
 - (e) the Cash Management Order;
 - (f) the Tax Order;
 - (g) the Utilities Order;
 - (h) the OCB Payment Order; and
 - (i) the Interim DIP Order.
3. In its capacity as the then-proposed foreign representative of the Canadian Debtors in the Chapter 11 Cases (the “**Foreign Representative**”), RL Management sought and, on May 21, 2024, obtained an order (the “**Interim Stay Order**”) under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and section 106 of the *Courts of Justice Act* (Ontario) from the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings and properties, and former, current, and future directors and officers.
4. On May 28, 2024, the Foreign Representative sought and obtained the following orders under Part IV of the CCAA from the Canadian Court:
- (a) an order (the “**Initial Recognition Order**”), among other things:
 - (i) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of the Canadian Debtors and RL Management as the “foreign

representative” in respect of the Chapter 11 Cases, as such terms are defined in section 45 of the CCAA; and

- (ii) declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order; and
- (b) an order (the “**Supplemental Order**”), among other things:
- (i) recognizing and giving effect to certain of the First Day Orders;
 - (ii) granting a stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings and properties, and former, current, and future directors and officers;
 - (iii) appointing FTI Consulting Canada Inc. (“**FTI**”) as the Information Officer (in such capacity, the “**Information Officer**”) in these recognition proceedings (these “**Recognition Proceedings**”); and
 - (iv) granting the Administration Charge, the DIP Lender’s Charge, and the D&O Charge (as those terms are defined in the Supplemental Order) on the Canadian Debtors’ property in Canada subject to the terms and conditions of the Supplemental Order.
5. On June 14, 2024, the U.S. Bankruptcy Court entered several orders following a hearing (the “**Second Day Hearing**”) of the second day motions filed by the Debtors in the Chapter 11 Cases (collectively, the “**Second Day Motions**”) including: (a) the Final DIP Order, (b) the Final Wages and Benefits Order, (c) the Final Cash Management Order, (d) the Final Tax Order, and (e) the Sale Procedures Order (collectively, the “**Second Day Orders**”).
6. On June 18, 2024, the Foreign Representative sought and obtained an order (the “**Second Supplemental Order**”) under Part IV of the CCAA from the Canadian Court, among other things, recognizing and giving effect to the Second Day Orders.

7. This report (the “**Second Report**”) has been filed by the Information Officer in these Recognition Proceedings for the purpose of providing the Canadian Court with the following:
- (a) an update on the Chapter 11 Cases since the granting of the Second Supplemental Order;
 - (b) the Information Officer’s views regarding the Foreign Representative’s motion for an order (the “**Third Supplemental Order**”), among other things,
 - (i) recognizing and giving effect to the following orders of the U.S. Bankruptcy Court (collectively, the “**Orders**”):
 - (A) *Findings of Fact, Conclusions of Law, and Order (I) Approving the Adequacy of the Disclosure Statement on a Final Basis, (II) Confirming the Joint Chapter 11 Plan for Red Lobster Management LLC and Its Debtor Affiliates, (III) Setting Deadlines, and (IV) Setting Post-Confirmation Status Conference*, entered September 5, 2024 (the “**Confirmation Order**”);
 - (B) *Order Granting Debtors’ Emergency Motion for Approval of Form of Notice of Commencement and Proof of Claim*, entered May 22, 2024 (the “**Bar Date Order**”); and
 - (C) *Order Granting Debtors’ Motion for Entry of an Order (I) Approving Claims Objection Procedures and (II) Authorizing Additional Claim Objection Categories for Omnibus Claim Objections*, entered August 1, 2024 (the “**Claim Objection Order**”);
 - (ii) declaring that the releases, discharges, injunctions, and exculpations contained and referenced in the *Amended Joint Chapter 11 Plan of Red Lobster Management LLC and its Debtor Affiliates* (as amended, modified or supplemented from time to time in accordance with its terms, the “**Plan**”)

and to be approved in the Confirmation Order are valid and effective on the Plan Effective Date and that all such releases, discharges, injunctions, and exculpations are sanctioned, approved, recognized, and given full force and effect in all provinces and territories of Canada;

- (iii) authorizing the Canadian Debtors to take such steps and execute such additional documents as may be necessary or desirable for the implementation of the Plan;
 - (iv) permanently staying and dismissing all court actions and proceedings commenced against the Canadian Debtors in Canada on a with prejudice and without costs basis as of the Plan Effective Date; and
 - (v) terminating the stay of proceedings and other restrictions on the business of RL Canada and RL Hospitality set forth in the Supplemental Order; and
- (c) a summary of the activities of the Information Officer since its appointment.

B. TERMS OF REFERENCE

8. In preparing this Second Report, the Information Officer has relied upon, without limitation, unaudited financial information prepared by the Debtors and their representatives, the Debtors' books and records, and discussions with Canadian counsel to the Foreign Representative and the Canadian Debtors (collectively, the "**Information**").
9. Except as described in this Second Report:
- (a) the Information Officer has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the "**Handbook**") and, accordingly, the Information Officer expresses no opinion or other form of assurance in respect of the Information; and

- (b) the Information Officer has not examined or reviewed forecasts and projections referred to in this Second Report in a manner that would comply with the procedures described in the Handbook.
10. Future oriented financial information reported in or relied on in preparing this Second Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such information and these variations may be material.
11. Capitalized terms used but not defined herein have the meanings given to them in the pre-filing report of FTL, in its capacity as the then-proposed Information Officer, dated May 27, 2024 (the "**Pre-Filing Report**"), the first report of the Information Officer dated June 17, 2024 (the "**First Report**"), the Affidavit of Nicholas Haughey sworn September 3, 2024 (the "**Haughey Affidavit**"), and the affidavit of Nancy Thompson sworn September 6, 2023 (the "**Thompson Affidavit**"), as applicable. Copies of the Pre-Filing Report and the First Report (each without appendices) are attached as **Appendices "A"** and **"B"**, respectively.
12. All materials filed with the Canadian Court in these Recognition Proceedings are available on the Information Officer's website at: <http://cfcanada.fticonsulting.com/redlobster/> (the "**Case Website**"). All materials filed in the Chapter 11 Cases, are available on the case website maintained by Epiq Corporate Restructuring, LLC, in its capacity as the Debtors' notice, claims, and solicitation agent (the "**Claims Agent**"), at: <https://dm.epiq11.com/case/redlobster/info> (the "**Docket**").

C. **BACKGROUND**

13. A detailed description of the Debtors, including the Canadian Debtors, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings (collectively, the "**Restructuring Proceedings**") is provided in the supplemental affidavit of Jonathan Tibus sworn May 24, 2024 (the "**First Tibus Affidavit**") and the first day declaration of Jonathan Tibus dated May 19, 2024 (the "**Tibus Declaration**") attached (without exhibits) as Exhibit "A"

thereto. These matters were also addressed in the Pre-Filing Report attached as Appendix “A” to this Second Report and are only briefly summarized herein.

The Debtors

14. Red Lobster was founded in the U.S. in 1968 and expanded into Canada in 1983. As of the Petition Date, RL Group operated approximately 551 restaurant locations across 44 U.S. states and 27 restaurant locations across four Canadian provinces. Of the Canadian restaurants, there are 20 in Ontario, 4 in Alberta, 2 in Saskatchewan, and 1 in Manitoba.
15. The Debtors consist of RL Management and its direct and indirect U.S. subsidiaries (excluding certain foreign entities), all of which are incorporated or established under the laws of the U.S. The Canadian Debtors, which are each limited liability companies or corporations formed in Delaware, consist of RL Management and two of its wholly-owned, direct subsidiaries, RL Hospitality and RL Canada. The Canadian operations of the RL Group are undertaken through RL Canada using certain trademarks owned by RL Hospitality and registered in Canada and other jurisdictions.
16. As of the Petition Date, the RL Group employed approximately 36,000 employees worldwide, approximately 2000 of which are in Canada. RL Canada employs all of the Canadian employees, most of whom serve in part-time roles. Of those employees, approximately 67% are in Ontario, 20% in Alberta, 7% in Saskatchewan, and 6% in Manitoba.
17. The Information Officer understands that, since commencement of these Recognition Proceedings, all Canadian restaurants have continued to operate in the ordinary course. The Debtors, either directly or through counsel, have continued to engage with Canadian stakeholders, including suppliers, landlords, and litigation claimants, with the assistance of the Information Officer.

Completion of Marketing and Sale Process

18. The First Report provides a detailed summary of the Sale Procedures Order and the Stalking Horse APA. Certain of such information is summarized below.

19. The Sale Procedures Order recognized by the Canadian Court approved a marketing and sale process (the “**Sale Procedures**”) for the Debtors’ business and assets, including its business and assets in Canada (the “**Canadian Business**”). The Sale Procedures were supported by a stalking horse bid (the “**Stalking Horse Bid**”) from RL Purchaser LLC (the “**Stalking Horse Bidder**”), a newly formed entity created by the Pre-petition Term Loan Lenders for the purpose of acquiring the Debtors’ assets pursuant to a sale transaction.
20. As set forth in the Haughey Affidavit, the Debtors received no competing Qualified Bids before the Bid Deadline of July 18, 2024. The Debtors therefore selected the Stalking Horse Bidder as the Successful Bidder and cancelled the Auction in accordance with the Sale Procedures Order. The Debtors filed notice of these developments in the Chapter 11 Cases on July 22, 2024.
21. The Information Officer understands that, at around the time of the Bid Deadline, the Debtors, at the election of the Stalking Horse Bidder, determined that the going-concern sale of the Debtors’ business should be effected through a plan of reorganization rather than by way of the Stalking Horse APA as was originally contemplated. This determination was made in connection with the resolution entered into with the UCC¹ to resolve certain objections to the entry of the Final DIP Order.
22. On August 22, 2024, the Debtors and an assignee of the Stalking Horse Bidder, RL Investor Holdings LLC (the “**Purchaser**”), entered into an amended and restated asset purchase agreement (the “**Purchase Agreement**”) to reflect, among other things, their intention to consummate the sale transaction by way of the Plan.

Plan, Disclosure Statement, and Vote

23. On July 19, 2024, the day after the Bid Deadline had expired, the Debtors filed the Plan and a disclosure statement (the “**Disclosure Statement**”) providing creditors and the U.S.

¹ The Official Committee of Unsecured Creditors (the “UCC”) was appointed in the Chapter 11 Cases by the United States Trustee on May 31, 2024 to represent the interests of unsecured creditors. The Committee includes one Canadian creditor, Gordon Food Service Canada Ltd., a significant supplier of RL Canada.

Bankruptcy Court with a summary of the Plan and key dates and deadlines in respect thereof.

24. On the same date, the Debtors filed an *Expedited Motion for Entry of an Order (I) Conditionally Approving Disclosure Statement for the Proposed Joint Chapter 11 Plan of Red Lobster Management LLC and Its Debtor Affiliates, (II) Approving the Solicitation and Voting Procedures with Respect to Confirmation of the Proposed Joint Chapter 11 Plan of Red Lobster Management LLC and Its Debtor Affiliates, and (III) Granting Related Relief* (the “**Conditional Disclosure Statement Motion**”).
25. The U.S. Bankruptcy Court heard the Conditional Disclosure Statement Motion on July 26, 2024 and entered an order granting the requested relief on July 29, 2024 (the “**Conditional Disclosure Statement Order**”). The Conditional Disclosure Statement Order, among other things:²
 - (a) conditionally approved the Disclosure Statement as providing holders of Claims entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan; *provided, however*, that the U.S. Bankruptcy Court would consider final approval of the Disclosure Statement at the Confirmation Hearing and all objections to final approval of the Disclosure Statement were preserved; and
 - (b) approved the Confirmation Schedule setting forth the schedule and procedure for, among other things, (i) soliciting votes on the Plan, (ii) providing notice of the Plan and voting procedures to creditors, and (iii) for obtaining confirmation of the Plan from the U.S. Bankruptcy Court.
26. As set forth in the Haughey Affidavit, and in accordance with Conditional Disclosure Statement Order, the Debtors (a) served the holders of Claims entitled to vote on the Plan with solicitation packages that included a ballot for voting; and (b) notified members of

² Capitalized terms used but not defined in this paragraph have the meanings given to them in the Conditional Disclosure Statement Order.

Non-Voting Classes of their non-voting status. Non-Voting Classes included creditors deemed to accept or reject the Plan based on the treatment of their Claims.

27. Pursuant to the Conditional Disclosure Statement Order, the deadline for eligible creditors to vote to accept or reject the Plan was August 28, 2024 at 4:00 p.m. (prevailing Eastern time). Eligible creditors were entitled to submit their ballots by way of mail, courier, or online through an e-ballot portal.
28. Only two classes of creditors were entitled to vote to accept or reject the Plan: (a) Class 3 – holders of Prepetition Term Loan Claims, and (b) Class 4 – holders of allowed General Unsecured Claims. The members of Class 3 unanimously voted to approve the Plan. While a majority of Class 4 voted to approve the Plan in number, those members failed to meet the requisite threshold of two-thirds or more in value of the Claims in Class 4 and, therefore, the Plan was rejected by Class 4.
29. As discussed in more detail below, the U.S. Bankruptcy Court confirmed the Plan notwithstanding the Class 4 votes pursuant to § 1129 of the U.S. Bankruptcy Code, resulting in the “cramdown” of the holders of Class 4 Claims.
30. The deadline to file objections to the Plan was also August 28, 2024 at 4:00 p.m. (prevailing Eastern time). As noted in the Haughey Affidavit, a number of objections were filed in advance of that deadline including one objection from the Office of the United States Trustee (“**U.S. Trustee**”). Based on its attendance at the Confirmation Hearing on September 5, 2024, the Information Officer understands that all such objections were resolved on consent before the Confirmation Hearing.
31. The Information Officer has reviewed the Conditional Disclosure Statement Order with the assistance of its legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), and is of the view that the procedures set forth therein do not cause any unfairness to Canadian stakeholders. The Information Officer understands that the Foreign Representative has not and does not intend to seek recognition of the Conditional Disclosure Statement Order under Part IV of the CCAA from the Canadian Court. The Information Officer is of the view that this is appropriate given that the Conditional Disclosure Statement Order did not

approve the Disclosure Statement on a final basis, and instead left that that determination to be made by the U.S. Bankruptcy Court at the Confirmation Hearing and preserved all objections to the Disclosure Statement until such date.

32. The U.S. Bankruptcy Court finally approved the Disclosure Statement and confirmed the Plan by way of the Confirmation Order, for which the Foreign Representative seeks recognition in the proposed Third Supplemental Order. The Confirmation Order is discussed in more detail below.

Claims Process

33. The deadline for all non-government creditors to file proofs of claim expired on July 28, 2024 (the “**General Bar Date**”).³ The General Bar Date and other key dates and information regarding the claims process and the Chapter 11 Cases are set forth in the *Notice of Chapter 11 Bankruptcy Case* filed May 24, 2024 in the Chapter 11 Cases (the “**Bar Date Notice**”), which was approved by the U.S. Bankruptcy Court by way of the Bar Date Order.
34. A copy of the Bar Date Notice and information regarding the General Bar Date was also included in the First Report, delivered on June 17, 2024. In addition, the Haughey Affidavit indicates that all creditors identified in the books and records of the Debtors, including creditors of RL Canada, were sent a copy of the Bar Date Notice and provided with information regarding the General Bar Date and process for filing proofs of claim.
35. As noted in the Haughey Affidavit, creditors filed proofs of claim totaling USD \$45,297,156.52 against RL Canada.⁴ The Debtors identified additional claims of approximately USD \$13 million listed on the Schedule of Assets and Liabilities for RL Canada filed with the US Bankruptcy Court.

³ The proof of claim deadline for governmental units is 180 days from the date of filing (the “**Government Unit Bar Date**”).

⁴ The Information Officer understands that some proofs of claim were received in respect of the other Canadian Debtors; however, such proofs of claim were predominantly from U.S. creditors. Certain creditors in Canada filed their proofs of claim against all the Debtors collectively.

36. On August 1, 2024, the U.S. Bankruptcy Court entered the Claim Objection Order, which established a process allowing the Debtors to file omnibus objections to claims on certain grounds (including that such claims were inconsistent with the Debtors' books and records) as well as a process for the adjudication and resolution of such claims. The Information Officer understands that the Debtors have filed certain omnibus objections and are continuing to work to resolve such objections with creditors.
37. The Foreign Representative seeks the Canadian Court's recognition of the Bar Date Order and the Claims Objection Order in the proposed Third Supplemental Order. The Bar Date Order and Claims Objection Order are discussed in more detail below.

D. ORDERS PROPOSED TO BE RECOGNIZED

38. RL Management, in its capacity as the Foreign Representative, is seeking recognition of the Confirmation Order, the Bar Date Order, and the Claim Objection Order entered by the U.S. Bankruptcy Court in the Chapter 11 Cases. The Orders to be recognized pursuant to the proposed Third Supplemental Order are listed and described in the Haughey Affidavit and the Thompson Affidavit. Copies of the Orders are available as follows:
- (a) Confirmation Order → Exhibit "A" to the Thompson Affidavit;
 - (b) Bar Date Order → Exhibit "C" to the Haughey Affidavit; and
 - (c) Claim Objection Order → **Appendix "C"** to this Second Report.
39. With the assistance of its legal counsel, Fasken, the Information Officer has reviewed and considered the Orders and discussed them with counsel to the Foreign Representative, the Debtors, and certain creditors. A summary of each of the Orders proposed to be recognized is set out below.

Confirmation Order

40. Pursuant to the Confirmation Order, the U.S. Bankruptcy Court, among other things:⁵

- (a) determined that the Disclosure Statement contains adequate information with respect to the Debtors, the Plan, and the transactions contemplated therein, and approved the Disclosure Statement on a final basis;
- (b) approved and confirmed the Plan in its entirety, determining, in particular, that the Plan is fair and equitable with respect to the Rejecting Classes and met such other requirements under § 1129 of the U.S. Bankruptcy Code such that the Plan could be confirmed notwithstanding that the Rejecting Classes have not accepted the Plan; and
- (c) authorized the Debtors to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan, including, without limitation, entry into certain agreements contained in a Plan Supplement.

41. The Plan implements the going concern sale originally contemplated by the Sale Procedures Order, previously recognized by this Court. Accordingly, the Plan, when implemented, will continue the operation of Red Lobster's restaurants in Canada, preserve the employment of the RL Canada's employees, and maintain the value of RL Canada's business (the "**Canadian Business**") for the benefit of all stakeholders, including landlords, suppliers, and customers. The Plan also provides potential recoveries for unsecured creditors, including Canadian unsecured creditors of the Canadian Debtors, through the establishment of the GUC Trust (as defined below).

42. The key features of the Plan, as approved and confirmed by the U.S. Bankruptcy Court, are summarized below:

⁵ Capitalized terms used but not defined under this heading have the meanings given to them in the Confirmation Order and the Plan, as applicable.

- (a) *Debtors Authorized to Pursue a Reorganized Equity Sale* – Under the Plan, a sale of the Debtors’ business could be pursued, at the election of the Purchaser, by way of (i) an asset sale or (ii) a sale of (A) all or substantially all of the assets of RLSV, Inc., a Florida corporation (“**RLSV**”) and Red Lobster International Holdings, LLC (“**RL International**”), (B) certain assets of RL Management, and (C) the reorganized equity (the “**Reorganized Debtor Equity**”) in the remaining Debtors (specifically excluding RL Management, RLSV, and RL International) (the “**Reorganized Debtors**”), including the Reorganized Debtor Equity of RL Canada and RL Hospitality (collectively, the “**Reorganized Equity Sale**”). The Purchasers have elected to pursue a Reorganized Equity Sale, and the Debtors filed notice of same in the Chapter 11 Cases on August 30, 2024. The Confirmation Order authorizes the Debtors to pursue the Reorganized Equity Sale.

As a result, on the Plan Effective Date, the Reorganized Debtors will issue new Reorganized Debtor Equity to the Purchaser without the need for any further corporate action or further notice to the U.S. Bankruptcy Court. The existing equity of the Reorganized Debtors owned by RL Management, including the existing equity of RL Canada and RL Hospitality, will be cancelled for no consideration. The current equity in RL Management will be cancelled and the reorganized equity in RL Management will be issued to the Plan Administrator or its designee. The Plan Administrator will cause the reorganized RL Management to conduct its business consistent with the Plan, Purchase Agreement, and Transition Services Agreement.

- (b) *Assumption of Executory Contracts and Unexpired Leases by Purchaser* – The Purchaser has designated certain Executory Contracts and Unexpired Leases for assumption by the Reorganized Debtors or assumption and assignment to the Purchaser. Such assumption or assumption and assignment was approved by the U.S. Bankruptcy Court by way of the Confirmation Order. To the extent that an Executory Contract or Unexpired Lease has been designated for assumption or assumption and assignment, the Debtors or the Purchaser shall pay all cure costs in respect thereof on emergence from the Chapter 11 Cases, which is anticipated to

occur in the second half of September 2024. The Information Officer understands that:

- (i) The Debtors anticipate that all Unexpired Leases in Canada will be designated for assumption by RL Canada as a Reorganized Debtor. Similarly, the Debtors anticipate that Canadian contractual arrangements in relation to key food and beverage suppliers, distributors, employee benefit plan providers, gift card services, financial services, and IT vendors will be assumed;
- (ii) Counterparties to certain Unexpired Leases (including two Ontario leases held by RL Canada) have consented in writing to the deferral of the Debtors' decision to assume or reject such leases for the duration of the Post-Confirmation Date Lease Negotiation Period, which may last forty-five (45) days following the Confirmation Date or a lesser period consented to by the relevant counterparty. Exhibit "B" to the Confirmation Order lists the Unexpired Leases subject to the aforementioned deferral. The Information Officer understands that RL Canada intends to assume the Ontario leases, subject to reaching an agreement on appropriate lease modification terms with the counterparties thereto;
- (iii) The Debtors anticipate that litigation claims and certain employee amounts will not be assumed by the Purchaser and will form part of the general unsecured creditor class under the Plan. Certain service providers in Canada, will similarly not have their contractual arrangements assumed. Claimants whose executory contracts are not assumed may have a claim for rejection damages that forms part of the general unsecured creditor class claims under the Plan. Pursuant to the Plan, after the Plan Effective Date, the general unsecured creditor class will have recourse only to the GUC Trust, discussed in more detail below; and

- (iv) Subject to the possible exception set forth in (iii) above, all disputes with Canadian stakeholders with respect to the assumption of Executory Contracts and Unexpired Leases and cure cost amounts have been resolved.
- (c) *Consideration to Creditors* – The primary consideration for the sale of Red Lobster’s business to the Purchaser is the satisfaction, settlement, release, and discharge of the Allowed DIP Claims and the assumption of certain liabilities. In exchange, the Purchaser or the Reorganized Debtors (as applicable) will receive (i) the transfer of specified assets, including certain Executory Contracts and Unexpired Leases, (ii) the issuance of Reorganized Debtor Equity, and (iii) the issuance of Takeback Loans, all in accordance with the Purchase Agreement.
- (d) *GUC Trust* – In addition to the consideration summarized in (c) above, the Plan also contemplates the establishment of a general unsecured creditor trust (the “**GUC Trust**”). On the Plan Effective Date, the GUC Trust shall be established to receive the GUC Fund and Equityholder Litigation Claims after adequate reserve for the payment of all (i) Allowed Priority Tax Claims, (ii) Allowed Other Priority Claims, and (iii) Allowed Administrative Expense Claims that are not Assumed Liabilities. The Information Officer understands that:
 - (i) The GUC Fund amount is to be calculated in accordance with the Plan, but consists primarily of a “Plan Funding Amount” equal to the sum of USD \$2.6 million and the unused amounts in the Professional Fee Reserves, subject to certain limitations and reductions. The Equityholder Litigation Claims include causes of action, if any, against direct and indirect equityholders of the Debtors and former officers and directors of the Debtors (other than the officers and directors of the Debtors as of the Petition Date). The proceeds of the Equityholder Litigation Claims, if any, shall be shared between the Prepetition Term Loan Lenders and holders of Allowed General Unsecured Claims, with 60% payable to the former and 40% payable to the latter; and

- (ii) As noted above, all creditors identified in the books and records of the Debtors, including creditors of RL Canada, were sent a copy of the Bar Date Notice and provided with information regarding the General Bar Date and process for filing proofs of claim. All such creditors have therefore been given a fair opportunity to benefit from the GUC Trust.

- (e) *Releases* – In addition to the foregoing, the Plan also includes certain release, injunctive, and exculpatory provisions. The definition of “Releasing Party” under the Plan includes, without limitation, holders of Prepetition Term Loan Claims and General Unsecured Claims that vote to accept the Plan. Upon the Plan Effective Date, except as otherwise provided in the Plan, the Debtors (excluding the Wind-Down Debtors) shall be discharged to the fullest extent permitted by the Bankruptcy Code from all Claims; provided, however, that such discharge shall exclude Assumed Liabilities. The Plan also includes certain releases in favour of “Released Parties”, which include the DIP Lenders and the DIP Agent, the Prepetition Term Loan Parties and the UCC.

In the Confirmation Order, the U.S. Bankruptcy Court specifically found that the release and exculpation provisions in the Plan are appropriate and consistent with the applicable provisions of the U.S. Bankruptcy Code, and that the Released Parties made significant concessions and contributions to the Chapter 11 Cases that justify the releases in the Plan.

- 43. Recognition of the Confirmation Order is a condition precedent to implementation of the Plan and, by extension, the Reorganized Equity Sale.

Bar Date Order

- 44. As set forth above, the Bar Date Order approved the Bar Date Notice which established the General Bar Date of July 28, 2024 by which non-governmental creditors were required to file proofs of claim. As discussed above, all Canadian creditors were given the opportunity to participate in the claims process in the Chapter 11 Cases, and did participate in such process by asserting total claims of USD \$45,297,156.32 against RL Canada.

45. Recognition of the Bar Date Order is necessary to confirm the General Bar Date in Canada and ensure finality in the claims process and the Chapter 11 Cases generally.

Claims Objection Order

46. As set forth above, the Claims Objection Order established a process whereby the Debtors were able to file omnibus objections to claims on certain grounds, including that such claims were inconsistent with the Debtors books and records and for adjudication and resolution of such claims.
47. Pursuant to the Claims Objection Order, each omnibus objection must:
- (a) be accompanied by a notice sent directly to each creditor holding a claim that may be affected by the objection;
 - (b) be supported with documentation provided by the Debtors; and
 - (c) describe the nature of the objection and the procedure for filing a written response to such objection.

Ultimately, all omnibus objections made by the Debtors must be resolved consensually or adjudicated by the U.S. Bankruptcy Court.

48. Recognition of the Claim Objection Order is necessary to give effect in Canada to the claims dispute resolution process that is still underway in the Chapter 11 Cases. The Information Officer understands that Canadian creditors are actively engaged in that process.

Recognition of the Orders

49. The Information Officer is supportive of the Foreign Representative's request for recognition of the Orders pursuant to the proposed Third Supplemental Order given, among other things, that:

- (a) the granting of the Third Supplemental Order would be consistent with the principles of comity and facilitate the efficient coordination of the Chapter 11 Cases and these Recognition Proceedings;
- (b) Canadian and U.S. stakeholders are treated in the same manner under each of the Orders for which recognition is sought, including with respect to the Plan and its implementation;
- (c) the procedures and timelines set forth in the Orders are reasonable and appropriate in the circumstances;
- (d) the Bar Date Order and Claim Objection Order for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of complex chapter 11 proceedings, and generally consistent with the forms of such orders frequently recognized by Canadian Courts in large cross-border insolvency proceedings;
- (e) the Plan and Reorganized Equity Sale contemplated therein are expected to result in continued employment for the Debtors' Canadian employees;
- (f) the Orders were supported by the Debtors' key stakeholders, including the DIP Agent and DIP Lenders;
- (g) the Orders were supported by the U.S. Trustee and the UCC;
- (h) the Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the Orders for which recognition is sought;
- (i) the Information Officer understands that all objections filed in respect of the Plan were resolved by the Debtors and the relevant stakeholders on a consensual basis;
- (j) the Plan was accepted by the majority of creditors by number in both voting classes of creditors, including a majority of unsecured creditors voting in Class 4;

- (k) while “cramdown” of a dissenting creditor class would not be permitted in plenary proceedings under the CCAA, Canadian courts have recognized and given effect to “cramdowns” in ancillary proceedings under Part IV of the CCAA where approved by the supervising court in the foreign proceeding;
- (l) the Plan and Confirmation Order maximize the going-concern value of the enterprise and represent the best possible outcome in the circumstances for Canadian stakeholders;
- (m) the U.S. Bankruptcy Court found that the third-party releases provided for in the Plan are, among other things: (i) consensual, (ii) in exchange for good and valuable consideration, (iii) a good faith settlement and compromise of claims, (iv) mutually beneficial to and in the best interests of the Debtors, their estates and their stakeholders and important to the overall objectives of the Plan, (v) fair, equitable, and reasonable, and (vi) consistent with the U.S. Bankruptcy Code; and
- (n) the third-party releases provided for in the Plan are consistent with the approach used by Canadian courts in plenary proceedings under the CCAA in that, among other things: (i) the parties to be released are necessary and essential to the restructuring of the debtor, (ii) the Plan cannot succeed without the releases, (iii) the voting creditors who have approved the Plan did so with knowledge of the nature and effect of the releases, and (iv) the releases are fair and reasonable and not overly broad or offensive to public policy.

E. ANCILLARY RELIEF

50. The Third Supplemental Order provides for certain ancillary relief, including without limitation:
- (a) a direction to registrars of the relevant Canadian courts to dismiss pending litigation against the Canadian Debtors (the “**Canadian Actions**”); and
 - (b) upon the occurrence of the Plan Effective Date, an order:

- (i) terminating the stay of proceedings in effect pursuant to the Initial Recognition Order and the Supplemental Order;
- (ii) terminating the D&O Charge and DIP Charge;
- (iii) terminating the indemnity in favour of directors and officers contained in the Supplemental Order; and
- (iv) terminating the restrictions on the Canadian Debtors contained in the Initial Recognition Order and the Supplemental Order.

51. The Information Officer has reviewed and considered the Foreign Representative's justification for seeking the aforementioned relief and believes that it is reasonable and appropriate in the circumstances.

F. ACTIVITIES OF THE INFORMATION OFFICER

52. Since the date of the Pre-Filing Report, the activities of the Information Officer have included, among other things:

- (a) preparing for and attending the Foreign Representative's motion for the Second Supplemental Order;
- (b) attending the hearing of the Debtors' motions before the U.S. Bankruptcy Court seeking, among other things, the entry of the Conditional Disclosure Statement Order and the Orders via Zoom videoconference;
- (c) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
- (d) updating the Case Website;
- (e) engaging in discussions with the Debtors regarding their cash flows and the Information Officer's anticipated review of same;

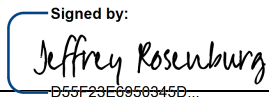
- (f) responding to inquiries from stakeholders regarding the Restructuring Proceedings and related matters;
- (g) engaging in discussions with Canadian counsel for the Foreign Representative and the other Canadian Debtors;
- (h) engaging in discussions with Alvarez & Marsal North America, LLC, the financial and restructuring advisors of the Debtors;
- (i) corresponding with Fasken, the Information Officer's independent legal counsel;
- (j) reviewing each of the Orders, and the corresponding motions, in respect of which recognition is sought;
- (k) preparing this Second Report; and
- (l) preparing for the hearing of the Foreign Representative's motion for recognition of the Orders.

G. CONCLUSION

53. For the reasons set out in this Second Report, the Information Officer supports the relief sought by the Foreign Representative on the motion discussed herein and respectfully recommends that the Canadian Court grant the proposed Third Supplemental Order.

Dated this 9th day of September, 2024.

FTI Consulting Canada Inc.,
solely in its capacity as Information Officer
in these Recognition Proceedings, and not
in its personal or corporate capacity

Signed by:

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Jeffrey Rosenberg
Senior Managing Director

APPENDIX "A"

Court File No. CV-24-00720567-00CL

**Red Lobster Management LLC, Red Lobster Hospitality LLC,
and Red Lobster Canada, Inc.**

**PRE-FILING REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

May 27, 2024

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF RED LOBSTER
MANAGEMENT LLC, RED LOBSTER HOSPITALITY LLC
and RED LOBSTER CANADA, INC.**

**APPLICATION OF RED LOBSTER MANAGEMENT LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED**

**PRE-FILING REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

A. INTRODUCTION

1. On May 19, 2024 (the “**Petition Date**”), Red Lobster Management LLC (“**RL Management**”) and certain of its affiliates (collectively, the “**Debtors**”), including Red Lobster Hospitality LLC (“**RL Hospitality**”) and Red Lobster Canada, Inc. (“**RL Canada**”, and together with RL Management and RL Hospitality, the “**Canadian Debtors**”) filed voluntary petitions for relief (collectively, the “**Petitions**” and each a “**Petition**”) in the United States Bankruptcy Court for the Middle District of Florida, Orlando Division (the “**U.S. Bankruptcy Court**”) under chapter 11 of title 11 of the United States Code (the “**U.S. Bankruptcy Code**”). The proceedings before the U.S. Bankruptcy Court commenced by the Petitions are hereinafter referred to as the “**Chapter 11 Cases**”.
2. The purpose of the Chapter 11 Cases and the proposed Canadian recognition proceedings (the “**Recognition Proceedings**”) is to provide a stabilized environment for the Debtors to continue to operate in the normal course while they implement an orderly restructuring for the benefit of all parties in interest, which will include a sale of some, all, or substantially

all of certain aspects of the business and otherwise wind-down the remaining business as contemplated in the RSA (defined below).

3. In its capacity as the then-proposed foreign representative of the Debtors in the Chapter 11 Cases (the “**Foreign Representative**”), RL Management sought and, on May 21, 2024, obtained an order (the “**Interim Stay Order**”) under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and section 106 of the *Courts of Justice Act* (Ontario) from the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings, and properties, and former, current, and future directors and officers. A copy of the Interim Stay Order is attached as **Appendix “A”**.
4. Several first day motions filed by the Debtors in the Chapter 11 Cases (collectively, the “**First Day Motions**”) for various orders (collectively, the “**First Day Orders**”) were heard before the U.S. Bankruptcy Court on May 21, 2024 (the “**First Day Hearing**”). Following the First Day Hearing, the U.S. Bankruptcy Court granted a number of First Day Orders. Of those First Day Orders, the Foreign Representative will seek recognition of the following under Part IV of the CCAA:
 - (a) *Order Authorizing Red Lobster Management LLC to Act as Foreign Representative of the Debtors* (the “**Foreign Representative Order**”);
 - (b) *Interim Order Authorizing Debtors to (I) Pay Prepetition Wages, Salaries, Employee Benefits, and Other Employee Obligations, (II) Maintain Employee Benefit Programs and (III) For Related Relief* (the “**Wages and Benefits Order**”);
 - (c) *Order Authorizing Debtors to (I) Continue to Administer Insurance Policies, Surety Bonds and Related Agreements, (II) Honor Certain Obligations in Respect Thereof; and (III) For Related Relief* (“**Insurance Order**”);

- (d) *Order (I) Authorizing Debtors to (A) Maintain and Administer Prepetition Customer Programs, Promotions and Practices and (B) Honor Prepetition Obligations Related Thereto and (II) Granting Related Relief (“Customer Program Order”);*
 - (e) *Interim Order (A) Authorizing the Debtors to (I) Continue to Use Existing Cash Management System, (II) Maintain Bank Accounts and Continue Use of Existing Business Forms and Checks, (III) Honor Certain Related Prepetition and Postpetition Obligations, and (IV) Perform Intercompany Transactions, (B) Granting a Waiver of Certain Investment and Deposit Guidelines and (C) Granting Related Relief (the “Cash Management Order”);*
 - (f) *Interim Order Authorizing Debtors to Pay Prepetition Sales, Use, Trust Fund, Property, Foreign and Other Taxes and Similar Obligations (the “Tax Order”);*
 - (g) *Order Pursuant to 11 U.S.C. §§ 105(a) and 366(b) and Local Rule 2081-1(g)(7): Prohibiting Utilities from Altering, Refusing or Discontinuing Services, (II) Deeming Utilities Adequately Assured of Future Performance, (III) Establishing Procedures for Determining Adequate Assurance of Payment, and (VI) Granting Related Relief (the “Utilities Order”);*
 - (h) *Order (I) Authorizing Debtors to Pay Certain Section 503(b)(9) Claims in the Ordinary Course of Business, and (II) Granting Related Relief (the “OCB Payment Order”); and*
 - (i) *Interim Order (I) Approving Postpetition Financing, (II) Authorizing the Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief (the “Interim DIP Order”).*
5. This report (the “**Pre-Filing Report**”) has been filed by FTI Canada Consulting Inc. (“**FTI**”), as the proposed information officer (in such capacity, the “**Proposed**

Information Officer”) in these Recognition Proceedings. The purpose of this Pre-Filing Report is to provide the Canadian Court with the following:

- (a) certain background information concerning the Debtors, including the Canadian Debtors, the Chapter 11 Cases, and these Recognition Proceedings;
- (b) the qualifications of FTI to act as the information officer in these Recognition Proceedings (if appointed in such capacity, the “**Information Officer**”);
- (c) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Initial Recognition Order**”), among other things:
 - (i) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of the Canadian Debtors and RL Management as the “foreign representative” in respect of the Chapter 11 Cases (if recognized in such capacity, the “**Foreign Representative**”), as such terms are defined in section 45 of the CCAA; and
 - (ii) declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order and the Supplemental Order (defined below); and
- (d) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Supplemental Order**”), among other things:
 - (i) recognizing certain of the First Day Orders;
 - (ii) granting a stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings, and properties, and former, current, and future directors and officers;
 - (iii) granting a charge (the “**Administration Charge**”) on the Canadian Debtors’ property in Canada in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer, and counsel to the Information Officer, up to a maximum amount of CAD \$1

million, as security for their respective professional fees and disbursements incurred in respect of these Recognition Proceedings both before and after the date of the proposed Supplemental Order;

- (iv) granting a charge (the “**DIP Charge**”) on the Canadian Debtors’ property in Canada in favour of the DIP Lenders (defined below) to secure the obligations outstanding from time to time under the DIP Credit Agreement (defined below);
- (v) granting a charge (the “**D&O Charge**”) on the Canadian Debtors’ property in Canada in favour of the directors and officers of RL Canada, up to a maximum aggregate amount of CAD \$3.4 million, as security for RL Canada’s indemnification obligations under the proposed Supplemental Order; and
- (vi) appointing FTI as the Information Officer.

B. TERMS OF REFERENCE

6. In preparing this Pre-Filing Report, the Proposed Information Officer has relied upon unaudited financial information prepared by the Debtors and their representatives, the Debtors’ books and records, and discussions with Canadian counsel to the Foreign Representative and the Canadian Debtors (collectively, the “**Information**”).
7. Except as described in this Pre-Filing Report:
 - (a) the Proposed Information Officer has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and, accordingly, the Proposed Information Officer expresses no opinion or other form of assurance in respect of the Information; and

- (b) the Proposed Information Officer has not examined or reviewed forecasts and projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Handbook.
8. Future oriented financial information reported in or relied on in preparing this Pre-Filing Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such information and these variations may be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States ("U.S.") dollars. Capitalized terms used but not defined herein have the meanings given to them in the Supplemental Affidavit of Jonathan Tibus sworn May 24, 2024 (the "**Supplemental Tibus Affidavit**") or the Declaration of Jonathan Tibus in Support of the Debtors' Chapter 11 Petitions and First Day Relief dated May 19, 2024 attached (without exhibits) as Exhibit "A" thereto (the "**Tibus Declaration**"), as applicable.

C. FTI'S QUALIFICATIONS TO ACT AS THE INFORMATION OFFICER

10. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. FTI has consented to act as the Information Officer if the Court grants the Initial Recognition Order and Supplemental Order sought by the Foreign Representative. A copy of FTI's consent to act is attached as **Appendix "B"**.
11. FTI personnel are familiar with the business and operations of the Debtors, including the Canadian Debtors, and the key issues and stakeholders in these Recognition Proceedings. Further, FTI has substantial experience in domestic and cross-border restructuring proceedings under the CCAA, including experience acting as the court-appointed information officer in other complex mandates.
12. FTI has searched its conflicts database in accordance with its usual practice and internal policies. FTI is not aware of any conflict of interest that would prevent it from acting as the Information Officer in these Recognition Proceedings.

D. BACKGROUND

13. A detailed description of the Debtors, including the Canadian Debtors, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings is provided in the Supplemental Tibus Affidavit and Tibus Declaration. Certain of such information is summarized below.

Overview of the Debtors and Their Business

14. Red Lobster was founded in the U.S. in 1968 and expanded into Canada in 1983. Today, Red Lobster is an iconic seafood restaurant chain with nearly 580 owned restaurants in the U.S. and Canada plus 27 franchised locations in other countries. As of 2020, RL Group's ultimate equity holders are Thai Union, former members of the Red Lobster management team, and certain investors operating under the name Seafood Alliance.
15. Red Lobster's organizational structure consists of more than 30 entities, of which 15 are the Debtors in the Chapter 11 Cases, including the three Canadian Debtors. The organizational chart for the RL Group, excerpted from the Tibus Declaration, is attached as **Appendix "C"** to this Pre-Filing Report.
16. As illustrated in Appendix "C", the Debtors consist of RL Management and its direct and indirect U.S. subsidiaries (excluding certain foreign entities), all of which are incorporated or established under the laws of the U.S. The Canadian Debtors, which are each limited liability companies or corporations formed in Delaware, consist of RL Management and two of its wholly-owned, direct subsidiaries, RL Hospitality and RL Canada. The Canadian operations of the RL Group are undertaken through RL Canada using certain trademarks owned by RL Hospitality and registered in Canada and other jurisdictions.
17. As of the Petition Date, RL Group operated approximately 551 restaurant locations across 44 U.S. states and 27 restaurant locations across four Canadian provinces. Of the Canadian restaurants, there are 20 in Ontario, four in Alberta, two in Saskatchewan, and one in Manitoba. With the exception of the Brantford Property (defined below) and Etobicoke

Building (defined below), RL Canada leases the premises for all of its restaurants. As of the Petition Date, RL Canada was current on all obligations to its lessors.

18. Also as of the Petition Date, the RL Group employed approximately 36,000 employees worldwide, approximately 2000 of which are in Canada. RL Canada employs all of the Canadian employees,¹ most of whom serve in part-time roles. Of those employees, approximately 67% are in Ontario, 20% in Alberta, 7% in Saskatchewan, and 6% in Manitoba (such Provinces being, collectively, the “**Relevant Provinces**”).
19. The majority of the Canadian employees are non-unionized, with the exception of the approximately 155 employees at the restaurants located in Burlington, Ontario and Edmonton, Alberta who are unionized pursuant to two separate collective bargaining agreements with RL Canada.
20. RL Canada does not sponsor or maintain a pension plan for any of its Canadian employees. RL Canada’s unionized and non-unionized employees are, however, entitled to certain other benefits, including, without limitation, medical, dental, life insurance, and short term disability. Certain employees are also eligible to participate in a company-sponsored registered retirement savings plan and an EBITDA-based bonus plan.
21. RL Canada employees are paid in arrears. As of the Petition Date, RL Canada was current on all Canadian payroll obligations and source deductions.
22. RL Canada does not have independent operational, financial, or marketing resources and relies on RL Management and other Debtors to fulfill these and other functions. RL Canada could not continue to operate its restaurants without these functions, and it would not be practical for RL Canada to develop such independent functions in the circumstances.

¹ For clarity, RL Management and RL Hospitality do not employ any of the Canadian workforce.

Financial Overview

23. Standalone audited financial statements are not prepared on behalf of RL Canada in relation to RL Group’s business in Canada (the “**Canadian Business**”). Rather, financial statements for the RL Group are prepared on a consolidated basis.
24. As of the Petition Date, by book value, RL Canada had approximately USD \$62.5 million worth of assets, and total liabilities of approximately USD \$69.1 million, of which approximately USD \$8.2 million are current liabilities. These figures exclude RL Canada’s contingent obligations as a guarantor of the obligations under the Pre-petition ABL Facility and the Pre-petition Term Loan Facility.

The Debtors’ Pre-Petition Funded Indebtedness

Secured Debt Obligations

25. As of the Petition Date, the Debtors’ funded, secured indebtedness totaled approximately USD \$294 million in the aggregate. As set out in the Supplemental Tibus Affidavit and the Tibus Declaration, the Debtors’ pre-petition secured debt obligations consist of:

Table 1

| Funded Secured Debt | Maturity | Approximate Balance |
|---|--------------|--------------------------|
| Pre-petition ABL Facility (Outstanding Letters of Credit) | January 2025 | USD \$29,276,399 |
| Pre-petition Term Facility | January 2026 | USD \$264,720,000 |
| | Total | USD \$293,996,399 |

26. As set forth in the Supplemental Tibus Affidavit, the Debtors’ secured debt facilities, listed above in **Table 1**, can be described as follows:

- (a) *Pre-petition ABL Facility (Outstanding Letters of Credit)* – The Debtors have an asset-based loan facility (the “**Pre-petition ABL Facility**”) in place with an aggregate commitment of USD \$100 million, including a USD \$40 million sublimit for letters of credit. The administrative agent under the ABL Facility is Wells Fargo Bank, National Association (“**Wells Fargo**”). As of the Petition Date, no loans are outstanding under the ABL Facility. However, Wells Fargo has issued letters of credit with an aggregate face amount of approximately USD \$29.3 million which remain outstanding.² The outstanding obligations under the Pre-petition ABL Facility are secured by a charge on substantially all of the Debtors’ assets, including certain cash collateral accounts held by Wells Fargo. Pursuant to an intercreditor agreement between Wells Fargo and the Pre-petition Term Loan Agent, Wells Fargo has a senior lien on certain assets (e.g. cash, cash accounts, inventory and credit card receivables) (the “**ABL Priority Collateral**”) and the Pre-petition Term Loan Agent (defined below) has a senior lien on all other assets of the Debtors; and
- (b) *Pre-petition Term Facility* – On January 22, 2021, RL Management as administrative borrower, RL Hospitality and RL Canada as guarantors,³ Fortress Credit Corp. (“**Fortress**”) as administrative and collateral agent (in such capacities, “**Pre-petition Term Loan Agent**”), and Fortress as lender and certain other lenders (collectively, “**Pre-petition Term Loan Lenders**”) entered into a financing agreement (as amended, amended and restated, supplemented, or modified, the “**Pre-petition Term Loan Agreement**”). Pursuant to the Pre-petition Term Loan Agreement, Fortress and the other Pre-petition Term Loan Lenders severally agreed to extend credit to RL Management by way of a term loan with a maturity date of January 22, 2026 (the “**Pre-petition Term Loan Facility**”). Pursuant to Article XI of the Pre-petition Term Loan Agreement, the remaining Debtors (including RL

² As set forth in the Supplemental Tibus Affidavit, there are also approximately USD \$1.1 million of outstanding obligations in connection with a commercial card agreement (or “p-card” agreement) between Wells Fargo and the Debtors.

³ As set forth in the Supplemental Tibus Declaration, the other parties to the Pre-petition Term Loan Agreement include each of the remaining Debtors as guarantors with the exception of Red Lobster International Holdings LLC (“**Holdings**”), the direct parent of RL Management, which does not own any assets other than the membership interests of RL Management.

Hospitality and RL Canada)⁴ (the “**Pre-petition Term Loan Guarantors**”) jointly and severally guaranteed the payment when due of all present and future obligations of RL Management under the Pre-petition Term Loan Agreement.

- (c) As of the petition date, the aggregate principal amount outstanding under the Pre-petition Term Loan Agreement totaled approximately USD \$264.7 million. As security for the payment and performance of all their obligations under the Pre-petition Term Loan Agreement, RL Management and the Pre-petition Term Loan Guarantors (including RL Hospitality and RL Canada) granted to Fortress, as Pre-Petition Term Loan Agent, a security interest in all of their present and future personal property pursuant to a pledge and security agreement dated as of January 22, 2021 (the “**Pre-Petition Security Agreement**”). As set forth in the Supplemental Tibus Affidavit, said security interest constitutes a senior lien on substantially all of the Debtors’ assets, other than the ABL Priority Collateral, over which such obligations are secured by a secondary lien.

Payoff Letter

27. As set out in the Supplemental Tibus Affidavit, Wells Fargo, the Pre-petition Term Loan Lenders, and the Debtor have entered into a payoff letter dated as of May 17, 2024 (the “**Payoff Letter**”) in connection with the proposed debtor-in-possession (“**DIP**”) facility discussed in the Supplemental Tibus Affidavit and below. The Payoff Letter provides that, in connection with the Debtors’ commencement of the Chapter 11 Cases and entry into the proposed DIP Facility (as defined below), the Debtors will make certain payments to Wells Fargo in exchange for the release of certain liens in favour of Wells Fargo other than with respect to the certain specified obligations set out in the Payoff Letter.

Liens Registered Against the Canadian Debtors

28. In anticipation of these Recognition Proceedings, the Proposed Information Officer retained Fasken Martineau DuMoulin LLP (“**Fasken**”) to, among other things, review the

⁴ But excluding Holdings.

Pre-petition Security Agreement and the personal property security registrations made in favour of Fortress (as Pre-petition Term Loan Agent) against the Canadian Debtors in the Relevant Provinces. For this purpose, Fasken has retained MLT Aikins LLP (“**MLTA**”) on behalf of the Proposed Information Officer to act as local counsel in Manitoba and Saskatchewan.

29. Searches of the personal property security registries in the Relevant Provinces conducted by Fasken and MLTA returned with currency dates of May 23 or 24, 2024 disclose the following:
 - (a) *RL Management* – there are no registrations against RL Management in any of the Relevant Provinces;
 - (b) *RL Hospitality* – there is one registration in Ontario against RL Hospitality in favour of Fortress as collateral agent in respect of collateral classifications “Accounts” and “Other”; there are no other registrations against RL Hospitality in any of the other Relevant Provinces; and
 - (c) *RL Canada* – there are registrations in all Relevant Provinces against RL Canada in favour of Fortress as collateral agent in respect all present and after-acquired personal property; there are also third-party registrations (the “**Third Party Registrations**”) against RL Canada in Alberta and Ontario in favour of Enterprise Fleet Management Canada, Inc., ITW Canada Inc., and Hobart Food Equipment Group Canada (collectively the “**Third-Party Registrants**”); there are no other registrations against RL Canada in the Relevant Provinces.
30. The Third Party Registrations all appear to be in regard to specific equipment. Each of the Third-Party Registrants has been served with the Canadian Debtors’ application for the Initial Recognition Order and the Supplemental Order.
31. While Wells Fargo appears to have had a financing statement registered in Ontario against RL Canada and RL Management in respect of all their present and after-acquired personal property, those registration were discharged as of May 24, 2024.

32. Fasken (in respect of personal property security interests governed by the laws of Alberta and Ontario) and MLTA (in respect of personal property security interests governed by the laws of Manitoba and Saskatchewan) each provided an opinion dated May 27, 2024 which, as applicable and subject to the standard assumptions and qualifications contained therein, concludes that (a) the Pre-petition Security Agreement granted by the Canadian Debtors in favour of Fortress, being the Pre-petition Term Loan Agent creates a valid security interest in the Canadian Debtors' assets situated in the Relevant Provinces; and (b) the security granted by RL Canada is registered in all public offices provided for under the laws of the Relevant Provinces and the federal laws of Canada applicable therein where such registration is necessary to preserve, protect, or perfect the security created by the Pre-petition Security Agreement in favour of Fortress in the assets of RL Canada described therein; and (c) the security granted by RL Hospitality is registered in all public offices provided for under the laws of the Province of Ontario and the federal laws of Canada applicable therein where such registration is necessary to preserve, protect, or perfect the security created by the Pre-petition Security Agreement in favour of Fortress in the assets of RL Hospitality described therein which are captured by the collateral classifications "Accounts" and "Other" under the *Personal Property Security Act* (Ontario) and the registry system maintained for the purposes thereof.

Unsecured Debt Obligations

33. The Canadian Debtors have no funded unsecured debt. In the ordinary course, RL Canada incurs trade debt with certain vendors and suppliers in connection with the operation of the Canadian Business. As of the Petition Date, RL Canada had approximately USD \$4.1 million of accounts payable owing of which USD \$2.3 million was then past due. RL Canada also incurs obligations in the ordinary course in relation to gift cards and customer programs.

The Debtors' Cash Management System and Ordinary Course Intercompany Transfers

34. As described in the Tibus Supplemental Affidavit and the Tibus Declaration, the Debtors maintain a cash management system with three primary categories of bank account: (a) the Depository Accounts into which the cash proceeds from the Debtors' operations are

deposited; (b) the Operating Accounts where the deposits from the Depository Accounts are channeled, and (c) the Disbursement Accounts where funds from the Operating Accounts are transferred from time to time for the purpose of making disbursements (collectively, the “**Cash Management System**”). On average, approximately USD \$20 million in receipts and disbursements flows through the Cash Management System each banking day.

35. The 32 Canadian Accounts which comprise the Cash Management System in Canada are all in the name of RL Canada and held at Royal Bank of Canada. They include the Canada Master Concentration Account, 27 Restaurant Depository Accounts, a Credit Card Account, a Payroll Account, a Liquor Account, and an Investment Account. Particulars of the Canadian Accounts, including their respective balances as of the Petition Date, are provided in the Supplemental Tibus Affidavit.
36. Intercompany transactions occur frequently between the accounts held by Red Lobster Restaurants LLC, RL Management, and RL Canada, each to cover funding needs and operational expenditures as they come due in the ordinary course. Each intercompany transaction results in an accompanying bookkeeping entry reflecting a claim for the amounts owed to or by each Debtor.
37. As discussed below, the Foreign Representative is seeking recognition of the Cash Management Order to ensure that the Debtors, including the Canadian Debtors, are able to continue to utilize the Cash Management System and engage in intercompany transactions in the ordinary course. The Proposed Information Officer understands that RL Canada, which operates the Canadian business of the RL Group and holds substantially all of the property used in the Canadian operations, has historically been cash flow positive and balances in its accounts have been periodically swept into the Cash Management System. The Proposed Information Officer also understands that RL Canada is expected to remain cash flow positive during the Chapter 11 Cases. Whereas the Proposed Information Officer has been informed that there is no present intention to continue such cash sweeps during the Chapter 11 Cases, the Proposed Information Officer has been told that cash sweeps

from RL Canada may occur if performance during the Chapter 11 Cases differs from what is presently expected.

E. THE CENTRE OF MAIN INTEREST

38. As set out in the Supplemental Tibus Affidavit, the Canadian Debtors are Delaware limited liability companies or corporations, as applicable. The registered offices of each of the Canadian Debtors is in the U.S. The RL Group’s senior leadership, including the sole directors, chief executive officer, and chief restructuring officer, are located in the U.S. and such senior leadership exercises primary strategic management and control of the corporate group, including the Canadian Debtors. All of the Debtors’ outstanding secured indebtedness is advanced by U.S.-based lenders and the related loan documentation is governed by U.S. law. RL Group’s overall financial position is managed on a consolidated basis from its U.S. head office in Orlando, Florida.
39. Given that the Canadian Debtors’ registered offices are located in the U.S., and having regard to their reliance on the support, services, and leadership from the larger U.S. enterprise of the RL Group, the Foreign Representative asserts that the Canadian Debtors’ “centre of main interest” is in the U.S. and submits that the Chapter 11 Cases constitute a “foreign main proceeding” as defined in section 45 of the CCAA.
40. In light of the foregoing and based on the evidence set out in the Supplemental Tibus Affidavit, it appears to the Proposed Information Officer that the Canadian Debtors’ “centre of main interest” is in the United States, and that it is appropriate in the circumstances to recognize the Chapter 11 Cases as a “foreign main proceeding”.

F. THE RSA AND THE PLAN

41. Details of the events leading up to the commencement of the Chapter 11 Cases and these Recognition Proceedings—including RL Group’s operational challenges, pre-petition strategic plan beginning in February 2024, and subsequent out-of-court restructuring steps—are set forth in detail in the Supplemental Tibus Affidavit and the Tibus Declaration.

42. Following the aforementioned events, the RL Group negotiated with the Pre-petition Term Loan Lenders and their advisors on the terms and implementation of a strategic transaction. As a result of those negotiations, the Pre-petition Term Loan Lenders and the Debtors entered into a restructuring support agreement dated as of May 9, 2024 (the “**RSA**”).
43. The RSA sets forth (a) the terms upon which the Pre-petition Term Loan Lenders would provide the necessary DIP financing to the Debtors, (b) the terms upon which the Pre-petition Term Loan Lenders would serve as a stalking horse bidder for the sale of substantially all of the Debtors’ assets, and (c) an agreed upon timeline for the commencement of the Chapter 11 Cases. The RSA also contemplates recognition of the Chapter 11 Cases under Part IV of the CCAA.

G. THE DIP FACILITY

44. Immediately prior to commencing the Chapter 11 Cases, the Debtors (a) finalized a DIP financing facility (the “**DIP Facility**”) governed by a secured super-priority DIP financing agreement (the “**DIP Credit Agreement**”) by and among RL Management, as borrower, each affiliate of RL Management that is a guarantor thereunder, including RL Hospitality and RL Canada, Fortress as administrative agent and collateral agent (in such capacities, the “**DIP Agent**”), and the lenders party thereto from time to time (the “**DIP Lenders**”).
45. The DIP Credit Agreement, which was approved by the U.S. Bankruptcy Court on an interim basis in the Interim DIP Order provides for an extension of credit not to exceed the principal amount of USD \$275,000,000, which amount includes: (a) USD \$100,000,000 of new money that the Debtors require for the continued operation of their business during the pendency of the Chapter 11 Cases (the “**New Money Advances**”), plus (b) a partial “roll-up” of USD \$175,000,000 of the Pre-petition Term Loan Obligations (on the basis of \$1.75 of deemed funding for each \$1.00 of New Money Advances made).
46. Pursuant to the DIP Credit Agreement, the first USD \$40,000,000 of the New Money Advances to the Debtors under the DIP Credit Agreement was to be made available upon entry of the Interim DIP Order by the U.S. Bankruptcy Court. The second USD \$60,000,000 of New Money Advances is to be made available upon entry of a final order

providing the authorizations included in the Interim DIP Order on a final basis (the “**Final DIP Order**”).

47. Regarding the partial roll-up, effective upon the entry of the Interim DIP Order, up to USD \$70,000,000 of Prepetition Term Loan Obligations (as defined in the Interim DIP Order) were to be deemed funded on the date that the interim New Money Advances are funded by the DIP Lenders (e.g., if the entire USD \$40,000,000 is funded, USD \$70,000,000 of Prepetition Term Loan Obligations will be deemed funded). Similarly, effective upon the entry of the Final DIP Order, up to an additional USD \$105,000,000 of Prepetition Term Loan Obligations is to be deemed funded on the date that the final New Money Advances are funded by the DIP Lenders (e.g., if the entire USD \$60,000,000 is funded, an additional USD \$105,000,000 of Prepetition Term Loan Obligations will be deemed funded).
48. It is a requirement of the DIP Credit Agreement that the Interim DIP Order be recognized by the Canadian Court within seven business days of its granting. The Interim DIP Order to be recognized grants Fortress and the DIP Lenders super-priority administrative expense claim status in each of the Chapter 11 Cases and super-priority liens (the “**DIP Lien**”) on all collateral of the Debtors, subject to the Carve-Out (as defined therein) of, among other things, certain statutory and allowed professional fees and the Administration Charge (as defined below) against the Canadian Debtors’ Collateral (as defined below).
49. The collateral charged by DIP Lien will include the Canadian Debtors’ personal property which is already encumbered pursuant to the Pre-Petition Security Agreement. The DIP Lien will also charge two real property interests owned by RL Canada that, prior to the DIP Lien, had not been previously encumbered (collectively, the “**Unencumbered Property**”):
 - (a) a freehold interest in real property located in Brantford, Ontario and municipally known as 67 King George Road (the “**Brantford Property**”); and
 - (b) a building improvement located on real property located in Etobicoke, Ontario and municipally known as 1790 Queensway which is leased by RL Canada pursuant to a ground lease (the “**Etobicoke Building**”).

50. As provided in the DIP Credit Agreement and the Interim DIP Order, the DIP Lien on the Unencumbered Property will secure all DIP Obligations, including New Money Advances and the “roll-up” amounts. Following discussions between counsel for the Proposed Information Officer and Canadian counsel for Fortress, the DIP Agent agreed that the DIP Lender’s Charge upon Unencumbered Property provided for in proposed Supplemental Order will secure obligations in respect of New Money Advances only and not obligations in respect of any “roll-up” amounts.

H. THE FIRST DAY ORDERS PROPOSED TO BE RECOGNIZED

51. The First Day Motions and the First Day Orders are described in the Tibus Declaration and the Supplemental Tibus Affidavit, respectively. Copies of the First Day Motions and the First Day Orders, together with all other publicly filed information in the Chapter 11 Cases, are available on the case website maintained by Epiq Corporate Restructuring, LLC at the following address: <https://dm.epiq11.com/case/redlobster/info> (the “Docket”).
52. RL Management, in its capacity as the Foreign Representative, is seeking recognition of certain of the First Day Orders that have been entered by the U.S. Bankruptcy Court in the Chapter 11 Cases. The First Day Orders to be recognized pursuant to the proposed Supplemental Order are listed and described in the Supplemental Tibus Affidavit. Copies of such First Day Orders are appended to the proposed Supplemental Order as Schedules “A” to “I”.
53. With the assistance of Fasken, the Proposed Information Officer has reviewed and considered the First Day Orders and discussed them with counsel to the Foreign Representative and counsel to the DIP Agent. The Proposed Information Officer is of the view that much of the relief contained in the First Day Orders is common in chapter 11 cases and is frequently recognized by Canadian courts in cross-border insolvency proceedings. A summary of each of the First Day Orders proposed to be recognized is set out below:
- (a) *Foreign Representative Order*—The Foreign Representative Order provides, among other things, authorization for RL Management to act as the foreign representative

on behalf of the Debtors' estates in an ancillary proceeding under Part IV of the CCAA and to (i) seek recognition of the Debtors' Chapter 11 Cases in Canada, (ii) request that the Canadian Court lend assistance to the U.S. Bankruptcy Court in protecting the property of the Debtors' estates, (iii) seek any other appropriate relief from the Court, and (iv), consistent with any orders of the Canadian Court, pay the costs of the Court-appointed Information Officer and its counsel without further order of the U.S. Bankruptcy Court. The Foreign Representative Order also contains a request from U.S. Bankruptcy Court for the aid and assistance of the Canadian Court to recognize the Chapter 11 Cases as "foreign main proceeding" and RL Management as a "foreign representative" pursuant to the CCAA.

- (b) *Wages and Benefits Order* – The Wages and Benefits Order, among other things, gives the Debtors authority, but not direction, to (i) pay prepetition wages, salaries, reimbursable expenses and other obligations on account of the compensation and benefits programs provided by Red Lobster in the ordinary course of business, (ii) continue the compensation and benefits programs, (iii) modify, change, and discontinue any of their compensation and benefits programs and to implement new programs, policies, and benefits for non-insider employees in the ordinary course, and (iv) to remit payroll taxes and deductions. The recognition of the Wages and Benefits Order will support RL Canada's authority to process compensation, deductions, and benefits for its approximately 2000 employees in Canada without interruption.
- (c) *Insurance Order* – The Insurance Order, among other things, (i) gives the Debtors authority, but not direction, to (X) maintain, renew, modify, supplement or purchase, in their sole discretion, their insurance policies and programs, their surety bond program (each as defined below) in the ordinary course of business, and current letters of credit and (Y) honor their insurance obligations, surety obligations, and current letters of credit (each as described in the motion for Insurance Order), including by paying any pre-petition insurance obligations and surety obligations in the ordinary course of business and issuing new letters of credit or posting additional cash collateral during the Chapter 11 Cases, and (ii)

modifies the automatic stay to the extent necessary to permit the Debtors' employees to proceed with any claims they may have under the workers' compensation programs. The insurance policies identified in the motion for the Insurance Order include Canadian insurance policies and programs, including Canada workers' compensation insurance. As of the Petition Date, the Debtors estimate that they owe USD \$47,000 on account of Canada workers' compensation premiums.

- (d) *Customer Program Order* – The Customer Program Order, among other things, gives the Debtors the authority, but not direction, to maintain and administer certain charitable programs and continue, renew, replace, implement, or terminate customer-related programs, promotions and practices. The customer programs include (i) coupons and sale promotions, (ii) a gift card program, (iii) a rewards/loyalty program, and (iv) the Debtors' ordinary course refund policy. The customer programs are a part of the Canadian Business and promote customer satisfaction, revenue growth opportunities, and the value of the brand.
- (e) *Cash Management Order* – The Cash Management Order, among other things, gives the Debtors the authority, but not direction, to (i) continue to maintain their existing Cash Management System, including the Canadian Accounts, (ii) honor certain pre-petition and post-petition obligations related thereto, (iii) continue to perform intercompany transactions in the ordinary course.
- (f) *Tax Order* – The Tax Order, among other things, gives the Debtors the authority, but not direction, to pay, in the Debtors' sole discretion, sales, use, trust fund, property, foreign, and other taxes and similar obligations in the ordinary course of the Debtors' business, without regard to whether such obligations accrued or arose before or after the Petition Date. RL Canada is liable for certain sales, property, income, and other taxes in Canada. Recognition of the Tax Order will enable RL Canada to continue collecting and remitting such taxes to the applicable taxing authorities in Canada.

- (g) *Utilities Order* – The Utilities Order, among other things, prohibits the Debtors’ utility service providers from altering, refusing, or discontinuing service on account of pre-petition amounts outstanding or on account of any perceived inadequacy of the Debtors’ proposed adequate assurance. The Utilities Order also approves the Debtors’ proposed adequate assurance and related procedures. The utilities service providers to which the Utilities Order applies include utilities service providers located in Canada. The Utilities Order ensures continuous service for the Debtors and provides utilities service providers with certainty regarding payment for post-filing services through the use of a segregated account containing an adequate assurance deposit for the benefit of the utilities companies during the pendency of the Chapter 11 Cases. The Utilities Order was granted on a conditional basis whereby interested parties have 30 days from the entry of the Order to file a written objection, failing which they will be deemed to have consented to the provisions of the Order.
- (h) *OCB Payment Order* – The OCB Payment Order, among other things, gives the Debtors authority, but not direction, to pay in the ordinary course of business pre-petition amounts owed to certain vendors solely for goods delivered to the Debtors within 20 days of the Petition Date, in an aggregate amount not to exceed USD \$49,838,000. The vendors that the Debtors propose to pay are all entitled to an administrative expense priority claim in the Chapter 11 Cases. Such vendors include Canadian vendors. Absent timely payment, there is a risk that vendors will suspend or terminate key supply arrangements, including supply arrangements in Canada.
- (i) *Interim DIP Order* – The Interim DIP Order, among other things, provides the Debtors with authorization, on an interim basis, to obtain senior secured post-petition financing on a super-priority basis pursuant to the terms of the DIP Credit Agreement. The Interim DIP Order provides for a challenge period which expires on the earlier of (i) 60 calendar days after the Petition Date, and (ii) the date established by the U.S. Bankruptcy Court for submission of qualified bids to purchase the Debtors’ assets. The Interim DIP Order also grants the DIP Lien in

favour of the DIP Agent and the DIP Lenders on all collateral of the Debtors as security for the obligations of the Debtors in respect of the DIP Obligations, including the Roll-up Amount, subject to the Carve-Out (as defined therein) of, among other things, certain statutory and allowed professional fees and the Administration Charge against the Canadian Debtors' collateral. Payments made pursuant to the Wages and Benefits Order, the Insurance Order, the Customer Program Order, the Cash Management Order, the Tax Order, the Utilities Order, and the OCB Payment Order must be in compliance with the Approved DIP Budget (as defined in the Interim DIP Order).

54. The Proposed Information Officer is supportive of the Foreign Representative's request for recognition of the above-noted First Day Orders pursuant to the proposed Supplemental Order given, among other things, that:
- (a) Canadian and U.S. stakeholders are treated in the same manner under each of the First Day Orders for which recognition is sought;
 - (b) the granting of the proposed Supplemental Order would be consistent with the principles of comity and facilitate the efficient coordination of the Chapter 11 Cases and these Recognition Proceedings;
 - (c) the First Day Orders for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of complex chapter 11 proceedings, and generally consistent with the forms of first day orders frequently recognized by Canadian Courts in large cross-border insolvency proceedings;
 - (d) RL Canada relies on certain other Debtors for business functions critical to its ongoing operation of the Canadian restaurants and the Debtors require the DIP Facility to continue to provide those business functions;
 - (e) whereas a "roll-up" of pre-filing indebtedness would not be permitted in plenary proceedings under the CCAA, Canadian courts have recognized and given effect to

“roll-ups” in ancillary proceedings under Part IV of the CCAA where approved by the supervising court in the foreign proceeding;

- (f) the First Day Orders were supported by the Debtors’ key stakeholders, including the DIP Agent and DIP Lenders; and
- (g) the Proposed Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the First Day Orders for which recognition is sought.

I. THE CHARGES PROPOSED UNDER THE SUPPLEMENTAL ORDER

55. Pursuant to the proposed Supplemental Order, the Foreign Representative seeks the granting of the Administration Charge, the DIP Lender’s Charge, and the D&O Charge (together, the “**Charges**”) over the Canadian Debtors’ property. The priorities of the Charges are proposed to be as follows:
- (a) First – Administration Charge (to the maximum amount of CAD \$1 million);
 - (b) Second – DIP Charge; and
 - (c) Second – D&O Charge (to the maximum amount of CAD \$3.4 million).
56. Each of the Charges and the Proposed Information Officer’s views with respect thereto are discussed below.

The Administration Charge

57. The proposed Supplemental Order provides for an Administration Charge up to the maximum amount of CAD \$1 million in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer, and counsel to the Information Officer. The Administration Charge is intended to provide security for the fees and disbursements of such professionals, each of which is expected to have a distinct role in these Recognition Proceedings and has and will continue to contribute to the Canadian Debtors’ restructuring efforts.

58. The quantum of the Administration Charge was determined with the assistance of the Proposed Information Officer. It is commensurate with the nature, scope and complexity of these Recognition Proceedings, the size of the retainers provided to the beneficiaries of the Administration Charge, and the professional costs expected to be incurred by such beneficiaries.
59. In the circumstances, the Proposed Information Officer is of the view that the proposed Administration Charge is both reasonable and appropriate. Moreover, the Proposed Information Officer is of the view that it will ensure that the Canadian Debtors have the benefit of the professional advice and expertise necessary for the success of these Recognition Proceedings. For these reasons, the Proposed Information Officer respectfully recommends that the proposed Administration Charge be granted under the Supplemental Order.

The DIP Charge

60. As noted above, the DIP Credit Agreement contemplates super-priority liens and charges, in accordance with the terms therein and as provided for in the Interim DIP Order to secure the obligations outstanding from time to time under the DIP Facility, provided that the DIP Charge will rank below the Administration Charge in priority. Accordingly, RL Management, as the Foreign Representative, is seeking the granting of a charge on the Canadian Debtors' property in favour of the DIP Lenders pursuant to the Supplemental Order. The proposed Supplemental Order specifies that the DIP Charge shall only form a charge on the Unencumbered Property to secure the New Money Advances.
61. Given the reliance of RL Canada on other Debtors for critical business functions and the Debtors' need to access the DIP Facility to provide those functions, and having regard to scope of the liens granted under the Interim DIP Order and the exclusion from the DIP Charge upon Unencumbered Property in the proposed Supplemental Order of obligations in respect of "roll-up" amounts, among other factors, the Proposed Information Officer is of the view that the DIP Charge is reasonable in the circumstances.

The D&O Charge

62. The proposed Supplemental Order requires that RL Canada indemnify its directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of RL Canada following the commencement of these Recognition Proceedings. Such indemnity explicitly excludes any obligation or liability arising from a director's or officer's gross negligence or wilful misconduct. As security for such indemnity, the proposed Supplemental Order grants a charge over the Canadian Debtors' property in the amount of CAD \$3.4 million in favour of RL Canada's directors and officers.
63. The Proposed Information Officer assisted RL Canada in determining the appropriate quantum of the D&O Charge, taking into consideration the amount of RL Canada's anticipated payroll, vacation pay, and federal and provincial sales tax liabilities during these Recognition Proceedings, as summarized in Table 2:

Table 2

| | | Initial Filing |
|--------------------------------|-----------|-----------------------|
| Payroll | \$ | 1,461,510 |
| Accrued Vacation and Sick Days | \$ | 109,652 |
| Sales Tax | \$ | 1,827,401 |
| Excise Tax | \$ | - |
| Environmental Liabilities | \$ | - |
| Total | \$ | 3,398,563 |
| Rounded | \$ | 3,400,000 |

64. The Proposed Information Officer understands that RL Canada's directors and officers are potential beneficiaries of directors' and officers' insurance which provides coverage for certain director and officer obligations. However, the Proposed Information Officer also understands that such insurance contains certain exceptions, exclusions, and carve-outs, and as a result, may not provide adequate coverage to RL Canada's directors and officers during these Recognition Proceedings. RL Canada's directors and officers will only be entitled to the benefit of the D&O Charge to the extent they do not have coverage under

directors' and officers' insurance policies or to the extent such coverage is insufficient to pay an indemnified amount.

65. The Proposed Information Officer understands that the D&O Charge is necessary to ensure the continued service RL Canada's directors and officers through the Chapter 11 Cases and these Recognition Proceedings. In the circumstances, the Proposed Information Officer is of the view that the D&O Charge is necessary and reasonable in the circumstances.
66. Having regard to the foregoing, the Proposed Information Officer respectfully recommends that the proposed D&O Charge be granted pursuant to the Supplemental Order.

J. ACTIVITIES OF THE PROPOSED INFORMATION OFFICER TO DATE

67. To date, the activities of the Proposed Information Officer have included, among other things:
 - (a) attending the hearing of the Debtors' First Day Motions in the Chapter 11 Cases via Zoom videoconference;
 - (b) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
 - (c) preparing for and attending the Foreign Representative's application for the Interim Stay Order in these Recognition Proceedings;
 - (d) reviewing each of the First Day Motions and the First Day Orders in respect of which recognition is sought;
 - (e) engaging in discussions with Canadian counsel for the Foreign Representative and the other Canadian Debtors and assisting in determining the appropriate quantum of both the Administration Charge and the D&O Charge;
 - (f) corresponding with Fasken, the Proposed Information Officer's independent counsel, regarding the Chapter 11 Cases, these Recognition Proceedings, and

matters concerning the Pre-Petition Term Loan Agreement and Pre-petition Security Agreement; and

(g) preparing this Pre-Filing Report.

68. If appointed in these Recognition Proceedings, the proposed Supplemental Order contemplates that FTI, in its capacity as the Information Officer, will:

(a) assist the Foreign Representative in the performance of its duties in such capacity as the Foreign Representative may request;

(b) report to the Court with respect to the status of these Recognition Proceedings and the Chapter 11 Cases;

(c) provide creditors of the Canadian Debtors with non-confidential information provided by the Foreign Representative or the other Canadian Debtors in response to reasonable requests for such information;

(d) publish a notice substantially in the form attached as Schedule "A" to the Initial Recognition Order, once a week for two consecutive weeks, in *The Globe and Mail (National Edition)*; and

(e) establish a case website on which, among other things, materials filed in these Recognition Proceedings will be posted, including any orders granted by the Court and the Information Officer's reports to the Court.

K. CONCLUSION

69. For the reasons set out in this Pre-Filing Report, the Proposed Information Officer supports the relief sought by the Foreign Representative on the within application and respectfully recommends that the Court grant the proposed Initial Recognition Order and Supplemental Order.

Dated this 27th day of May, 2024.

FTI Consulting Canada Inc.,
solely in its capacity as Information Officer
in these CCAA Recognition Proceedings,
and not in its personal or corporate
capacity

DocuSigned by:

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Jeffrey Rosenberg
Senior Managing Director

APPENDIX "B"

Court File No. CV-24-00720567-00CL

**Red Lobster Management LLC, Red Lobster Hospitality LLC,
and Red Lobster Canada, Inc.**

**FIRST REPORT OF THE
INFORMATION OFFICER**

June 17, 2024

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF RED LOBSTER
MANAGEMENT LLC, RED LOBSTER HOSPITALITY LLC
and RED LOBSTER CANADA, INC.**

**APPLICATION OF RED LOBSTER MANAGEMENT LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

FIRST REPORT OF THE INFORMATION OFFICER

A. INTRODUCTION

1. On May 19, 2024 (the “**Petition Date**”), Red Lobster Management LLC (“**RL Management**”) and certain of its affiliates (collectively, the “**Debtors**”), including Red Lobster Hospitality LLC (“**RL Hospitality**”) and Red Lobster Canada, Inc. (“**RL Canada**”, and together with RL Management and RL Hospitality, the “**Canadian Debtors**”) filed voluntary petitions for relief (collectively, the “**Petitions**” and each a “**Petition**”) in the United States Bankruptcy Court for the Middle District of Florida, Orlando Division (the “**U.S. Bankruptcy Court**”) under chapter 11 of title 11 of the United States Code (the “**U.S. Bankruptcy Code**”). The proceedings before the U.S. Bankruptcy Court commenced by the Petitions are hereinafter referred to as the “**Chapter 11 Cases**”.
2. Several first day motions filed by the Debtors in the Chapter 11 Cases (collectively, the “**First Day Motions**”) for various orders (collectively, the “**First Day Orders**”) were heard before the U.S. Bankruptcy Court on May 21, 2024 (the “**First Day Hearing**”). Following the First Day Hearing, the U.S. Bankruptcy Court granted, among others, the following First Day Orders:

- (a) the Foreign Representative Order;
 - (b) the Wages and Benefits Order;
 - (c) the Insurance Order;
 - (d) the Customer Program Order;
 - (e) the Cash Management Order;
 - (f) the Tax Order;
 - (g) the Utilities Order;
 - (h) the OCB Payment Order; and
 - (i) the Interim DIP Order.
3. In its capacity as the then-proposed foreign representative of the Canadian Debtors in the Chapter 11 Cases (the “**Foreign Representative**”), RL Management sought and, on May 21, 2024, obtained an order (the “**Interim Stay Order**”) under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and section 106 of the *Courts of Justice Act* (Ontario) from the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings, and properties, and former, current, and future directors and officers.
4. On May 28, 2024, the Foreign Representative sought and obtained the following orders under Part IV of the CCAA from the Court:
- (a) an order (the “**Initial Recognition Order**”), among other things:
 - (i) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of the Canadian Debtors and RL Management as the “foreign

representative” in respect of the Chapter 11 Cases, as such terms are defined in section 45 of the CCAA; and

- (ii) declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order; and
- (b) an order (the “**Supplemental Order**”), among other things:
- (i) recognizing certain of the First Day Orders;
 - (ii) granting a stay of proceedings in favour of the Canadian Debtors and their respective businesses, current and future assets, undertakings, and properties, and former, current, and future directors and officers;
 - (iii) appointing FTI Consulting Canada Inc. (“**FTI**”) as the Information Officer (in such capacity, the “**Information Officer**”) in these recognition proceedings (these “**Recognition Proceedings**”); and
 - (iv) granting the Administration Charge, the DIP Lender’s Charge, and the D&O Charge (each as defined in the Supplemental Order) on the Canadian Debtors’ property in Canada subject to the terms and conditions thereof.
5. Copies of the Initial Recognition Order, the Supplemental Order, and the accompanying endorsement of the Honourable Justice Penny, each dated May 28, 2024, are attached as **Appendices “A”, “B”, and “C”**, respectively.
6. On June 14, 2024, the U.S. Bankruptcy Court entered several orders following a hearing (the “**Second Day Hearing**”) of the second day motions filed by the Debtors in the Chapter 11 Cases (collectively, the “**Second Day Motions**”). The Foreign Representative intends to return to the Canadian Court on June 18, 2024 to seek recognition of certain of those orders, as discussed in more detail below.
7. This report (the “**First Report**”) has been filed by the Information Officer in these Recognition Proceedings for the purpose of providing the Canadian Court with the following:

- (a) an update on the Chapter 11 Cases since the granting of the Initial Recognition Order and the Supplemental Order;
- (b) the Information Officer's views regarding the Foreign Representative's motion for an order (the "**Second Supplemental Order**"), among other things, recognizing and enforcing certain orders of the U.S. Bankruptcy Court made at the Second Day Hearing (collectively, the "**Second Day Orders**"):
 - (i) *Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, and (VI) Granting Related Relief* (the "**Final DIP Order**");
 - (ii) *Final Order Granting Debtors' Emergency Motion for Interim and Final Orders Authorizing Debtors to (I) Pay Prepetition Wages, Salaries, Employee Benefits, and Other Employee Obligations, (II) Maintain Employee Benefit Programs, and (III) For Related Relief* (the "**Final Wages and Benefits Order**");
 - (iii) *Final Order Granting Debtors' Emergency Motion for Interim and Final Orders (A) Authorizing the Debtors to (I) Continue to Use Existing Cash Management System, (II) Maintain Bank Accounts and Continue Use of Existing Business Forms and Checks, (III) Honor Certain Related Prepetition and Postpetition Obligations, and (IV) Perform Intercompany Transactions, (B) Granting a Waiver of Certain Investment and Deposit Guidelines, and (C) Granting Related Relief* (the "**Final Cash Management Order**");
 - (iv) *Final Order Granting Debtors' Emergency Motion for Interim and Final Orders Authorizing Debtors to Pay Prepetition Sales, Use, Trust Fund, Property, Foreign and Other Taxes and Similar Obligations* (the "**Final Tax Order**", and together with the Final DIP Order, Final Wages and

Benefits Order, and Final Cash Management Order, the “**Final Orders**”);
and

- (v) *Order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors’ Assets, (II) Authorizing the Debtors to Enter into Stalking Horse Agreement and to Provide Bidding Protections Thereunder, (III) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (IV) Approving Assumption and Assignment Procedures, (V) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (VI) Granting Related Relief* (the “**Sale Procedures Order**”);
and

- (c) a summary of the activities of the Information Officer since its appointment.

B. TERMS OF REFERENCE

8. In preparing this First Report, the Information Officer has relied upon unaudited financial information prepared by the Debtors and their representatives, the Debtors’ books and records, and discussions with Canadian counsel to the Foreign Representative and the Canadian Debtors (collectively, the “**Information**”).
9. Except as described in this First Report:
 - (a) the Information Officer has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and, accordingly, the Information Officer expresses no opinion or other form of assurance in respect of the Information; and
 - (b) the Information Officer has not examined or reviewed forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Handbook.

10. Future oriented financial information reported in or relied on in preparing this First Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such information and these variations may be material.
11. Capitalized terms used but not defined herein have the meanings given to them in the pre-filing report of FTI, in its then capacity as the proposed Information Officer, dated May 27, 2024 (the "**Pre-Filing Report**") and the Affidavit of Jonathan Tibus sworn June 11, 2024 (the "**Tibus Affidavit**"), as applicable. A copy of the Pre-Filing Report (without appendices) is attached as **Appendix "D"**.
12. All materials filed with the Canadian Court in these Recognition Proceedings are available on the Information Officer's website at: <http://cfcanada.fticonsulting.com/redlobster/> (the "**Case Website**"). All materials filed in the Chapter 11 Cases, are available on the case website maintained by Epiq Corporate Restructuring, LLC, in its capacity as the Debtors' notice, claims, and solicitation agent (the "**Claims Agent**"), at: <https://dm.epiq11.com/case/redlobster/info> (the "**Docket**").

C. BACKGROUND

13. A detailed description of the Debtors, including the Canadian Debtors, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings (collectively, the "**Restructuring Proceedings**") is provided in the supplemental affidavit of Jonathan Tibus sworn May 24, 2024 (the "**First Tibus Affidavit**") and the first day declaration of Jonathan Tibus dated May 19, 2024 (the "**Tibus Declaration**") attached (without exhibits) as Exhibit "A" thereto. These matters were also addressed in the Pre-Filing Report attached as Appendix "D" hereto and are only briefly summarized herein.

The Debtors

14. Red Lobster was founded in the U.S. in 1968 and expanded into Canada in 1983. As of the Petition Date, RL Group operated approximately 551 restaurant locations across 44 U.S.

states and 27 restaurant locations across four Canadian provinces. Of the Canadian restaurants, there are 20 in Ontario, 4 in Alberta, 2 in Saskatchewan, and 1 in Manitoba.

15. Also as of the Petition Date, the RL Group employed approximately 36,000 employees worldwide, approximately 2000 of which are in Canada. RL Canada employs all of the Canadian employees, most of whom serve in part-time roles. Of those employees, approximately 67% are in Ontario, 20% in Alberta, 7% in Saskatchewan, and 6% in Manitoba.
16. As set forth in the Tibus Affidavit, since commencement of these Recognition Proceedings, all Canadian restaurants have continued to operate in the ordinary course. The Debtors, either directly or through counsel, have continued to engage with Canadian stakeholders, including suppliers, landlords, and litigation claimants, with the assistance of the Information Officer. The Debtors have also continued their discussions with Canadian landlords regarding go-forward rental arrangements.

The RSA and the Plan

17. As described in the Tibus Affidavit, in March 2024, when it became clear that an out-of-court solution to recapitalize the Debtors was not feasible, the Debtors retained Hilco Corporate Finance, LLC (“**Hilco**”), an investment banker, to initiate a marketing and sale process for the Debtors’ assets. Hilco subsequently conducted an extensive marketing process and solicited indications of interest from strategic and financial buyers with the ability to complete a transaction with the Debtors.
18. In May 2024, the Pre-petition Term Loan Lenders provided the Debtors with a proposal, which was negotiated and memorialized in a restructuring support agreement dated as of May 9, 2024 (the “**RSA**”), which set out (a) the terms upon which the Pre-petition Term Loan Lenders would provide the necessary DIP financing to the Debtors, (b) the terms upon which the Pre-petition Term Loan Lenders would serve as a stalking horse bidder for the sale of substantially all of the Debtors’ assets, and (c) an agreed upon timeline for the commencement of the Chapter 11 Cases. The RSA also contemplated recognition of the Chapter 11 Cases under Part IV of the CCAA.

19. The Debtors subsequently commenced the Chapter 11 Cases with a view toward completing an operational restructuring and going-concern sale of the business as a whole, including the Canadian Business (defined below).

Unsecured Creditors' Committee and Meeting of Creditors

20. On May 31, 2024, the Office of the United States Trustee (the “**U.S. Trustee**”) appointed certain creditors of the Debtors to serve on the Unsecured Creditors' Committee (the “**UCC**”). The U.S. Trustee's notice of the appointment filed in the Chapter 11 Cases is attached as **Appendix “E”** and lists each member of the UCC. The UCC includes one Canadian member, Gordon Food Service Canada Ltd., a significant supplier of RL Canada.
21. Presently, in the Chapter 11 Cases, the meeting of creditors is scheduled to be held by telephone on June 28, 2024 at 1:00 p.m. (EDT), and the deadline for creditors to file proofs of claim is July 28, 2024.¹ The Notice of Chapter 11 Bankruptcy Case filed in the Chapter 11 Cases, attached as **Appendix “F”**, provides further details regarding the Chapter 11 Cases, including the meeting of creditors and claims process.

D. ORDERS PROPOSED TO BE RECOGNIZED

22. RL Management, in its capacity as the Foreign Representative, is seeking recognition of the Second Day Orders that were entered following the Second Day Hearing by the U.S. Bankruptcy Court in the Chapter 11 Cases. The Second Day Orders to be recognized pursuant to the proposed Second Supplemental Order are listed and described in the Tibus Affidavit. Copies of such Second Day Orders are appended to the proposed Second Supplemental Order as Schedules “A” to “E”.
23. With the assistance of its legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), the Information Officer has reviewed and considered the Second Day Orders and discussed them with counsel to the Foreign Representative, the Debtors, and certain creditors. A summary of each of the Second Day Orders proposed to be recognized is set out below.

¹ The proof of claim deadline for governmental units is 180 days from the date of filing.

Final Orders

24. As noted above, the U.S. Bankruptcy Court has entered the Final Orders, which, in essence, are final forms of certain interim First Day Orders which the Canadian Court recognized on May 28, 2024 as part of the Supplemental Order. The Final Orders include the Final DIP Order, the Final Wages and Benefits Order, the Final Cash Management Order, and the Final Tax Order, each of which is discussed below:

- (a) *Final DIP Order* – The Final DIP Order, among other things, provides the Debtors with authorization to obtain senior secured post-petition financing on a super-priority basis pursuant to the terms of the DIP Credit Agreement. To date, the Debtors have drawn the maximum interim availability under the DIP Facility which totals USD \$40 million in New Money Advances *plus* USD \$70 million of Pre-petition Term Loan Obligations deemed to be funded (i.e., rolled up) at a ratio of USD \$1.75 for every USD \$1.00 of New Money Advances.² The Final DIP Order unlocks the remaining availability under the DIP Facility, which is an additional USD \$60 million of New Money Advances for a total of USD \$100 million. As the additional amount of New Money Advances now available under the DIP Credit Agreement are made, an additional USD \$105 million of Pre-petition Term Loan Obligations shall be deemed funded (i.e., rolled up at the same ratio) for a maximum total “roll-up” of USD \$175 million. The Final DIP Order does not vary the challenge period under the Interim DIP Order which expires on the earlier of (i) 60 calendar days after the Petition Date, and (ii) the date established by the U.S. Bankruptcy Court for submission of qualified bids to purchase the Debtors’ assets. The Final DIP Order also grants the DIP Lien in favour of the DIP Agent and the

² As described in the Pre-Filing Report, the DIP Credit Agreement, which was approved by the U.S. Bankruptcy Court on an interim basis in the Interim DIP Order, provided for an extension of credit not to exceed the principal amount of USD \$275 million which amount includes: (a) USD \$100 million of new money that the Debtors require for the continued operation of their business during the pendency of the Chapter 11 Cases (the “**New Money Advances**”), *plus* (b) a partial “roll-up” of USD \$175 million of the Pre-petition Term Loan Obligations (on the basis of USD \$1.75 of deemed funding for each USD \$1.00 of New Money Advances made).

DIP Lenders for the increased quantum of the DIP Obligations on substantially the same terms as the Interim DIP Order.

The UCC initially objected to the entry of the Final DIP Order. To resolve the UCC's objections, the Debtors, the UCC, the Pre-petition Secured Parties, and the DIP Secured Parties (as defined in the Final DIP Order) agreed to the resolution attached as Exhibit "C" to the Final DIP Order (the "**Resolution Term Sheet**"). As set out in the Resolution Term Sheet, the aforementioned parties will work cooperatively to draft a combined plan and disclosure statement which shall be funded in the amount of USD \$2.5 million by the Debtors and taken from the Excluded Cash (defined below), DIP Proceeds (as defined therein), or, in the event that the Successful Bidder is not the Stalking Horse Bidder, the cash proceeds from the Sale. Such funding shall be used by a plan trustee to be selected by the UCC, and reasonably acceptable to the DIP Lenders and the Debtors, (i) first to pay certain priority claims, and (ii) second to administer the plan and general unsecured creditor ("**GUC**") trust, and to litigate certain equityholder actions, subject to the terms and conditions of the Resolution Term Sheet. Proceeds from the equityholder actions (if any) shall be shared by the DIP Lenders (60%) and GUC trust (40%). As part of the aforementioned resolution, the Final DIP Order provides, and the UCC agreed, that the UCC shall be forever barred from challenging the terms or entry of the Final DIP Order, and UCC expressly waived, to the fullest extent under applicable law, all rights to do so.

- (b) *Final Wages and Benefits Order* – The Final Wages and Benefits Order provides the Debtors with substantially the same relief as the interim Wages and Benefits Order but on a final basis. Among other things, the Final Wages and Benefits Order gives the Debtors authority, but not direction, to (i) pay prepetition wages, salaries, reimbursable expenses and other obligations on account of the compensation and benefits programs provided by Red Lobster in the ordinary course of business, (ii) continue the compensation and benefits programs, (iii) modify, change, and discontinue any of their compensation and benefits programs and to implement new programs, policies, and benefits for non-insider employees in the ordinary course,

and (iv) to remit payroll taxes and deductions. The recognition of the Final Wages and Benefits Order will support RL Canada's continued authority to process compensation, deductions, and benefits for its approximately 2000 employees in Canada without interruption.

- (c) *Final Cash Management Order* – The Final Cash Management Order provides the Debtors with substantially the same relief as the interim Cash Management Order but on a final basis. The Final Cash Management Order, among other things, gives the Debtors the continued authority, but not direction, to (i) continue to maintain their existing Cash Management System, including the Canadian Accounts, subject to the requirements of the Final Cash Management Order, (ii) honor certain pre-petition and post-petition obligations related thereto, (iii) continue to perform intercompany transactions in the ordinary course.

The U.S. Trustee objected to the Final Cash Management Order. In order to resolve that objection, the Debtors agreed, among other things, to revise the Final Cash Management Order such that if the balance of the Canada Master Concentration Account (as defined therein) exceeds CAD \$5 million for seven consecutive days, then the Debtors shall, on or prior to two business days following such occurrence, transfer all amounts in excess of CAD \$5 million to a Back Account (as defined therein) held at Wells Fargo Bank, N.A. (the “**Cash Sweep**”). The Information Officer understands that the U.S. Trustee wanted the Cash Sweep provision included in the Final Cash Management Order at least in part because Wells Fargo Bank, N.A. is insured by the U.S. Federal Deposit Insurance Corporation whereas the Canada Master Concentration Account at Royal Bank of Canada is not. The Information Officer also understands that, in the ordinary course, RL Group has historically maintained a float of approximately CAD \$3 million in the Canada Master Concentration Account and would periodically sweep any cash in excess of that amount into the U.S. cash management system. The Cash Sweep is therefore not inconsistent with RL Group's pre-petition cash management practices. From its discussions with counsel to the Debtors, the Information Officer understands that the

Canadian Business has remained cash flow positive since the commencement of these Recognition Proceedings.

- (d) *Final Tax Order* – The Final Tax Order provides the Debtors with the substantially the same relief as the interim Tax Order but on a final basis. The Final Tax Order, among other things, gives the Debtors the continued authority, but not direction, to pay, in the Debtors’ sole discretion and pursuant to the Approved DIP Budget (as defined therein), sales, use, trust fund, property, foreign, and other taxes and similar obligations in the ordinary course of the Debtors’ business, without regard to whether such obligations accrued or arose before or after the Petition Date. RL Canada is liable for certain sales, property, income, and other taxes in Canada. Recognition of the Final Tax Order will enable RL Canada to continue collecting and remitting such taxes to the applicable taxing authorities in Canada.

Sale Procedures Order

25. The Sale Procedures Order approves a marketing and sale process (the “**Sale Procedures**”) for the Debtors’ business and assets, including its business and assets in Canada (the “**Canadian Business**”). The Sale Procedures are supported by a stalking horse bid (the “**Stalking Horse Bid**”) from RL Purchaser LLC (the “**Stalking Horse Bidder**”), a newly formed entity created by the Pre-petition Term Loan Lenders for the purpose of acquiring the Debtors’ assets pursuant to a sale transaction.
26. The Tibus Affidavit provides a detailed summary of the Sale Procedures and Stalking Horse Bid. Certain of such information is summarized below.

Stalking Horse Bid

27. Following the execution of the RSA, the Debtors entered into an asset purchase agreement dated as of May 19, 2024 with the Stalking Horse Bidder (the “**Stalking Horse APA**”). The Stalking Horse APA contemplates that the Stalking Horse Bidder, in addition to assuming certain liabilities and leaving certain cash with the Sellers (the “**Excluded Cash**”), will credit bid 100% of the DIP Obligations in order to satisfy the Purchase Price

(as such terms are defined in the Stalking Horse APA) for substantially all of the assets of the Debtors, including the Canadian Business. The Stalking Horse APA does not entitle the Stalking Horse Bidder to any break fee or termination fee in the event that the Stalking Horse Bid is unsuccessful.

28. The Stalking Horse APA contemplates that the Stalking Horse Bidder may elect to purchase the shares of any Debtor owned by RL Management, instead of its assets. If the Stalking Horse Bidder is selected as the Successful Bidder, the sale of the Canadian Business may therefore proceed as either a share sale or an asset sale, at the election of the Stalking Horse Bidder. The Information Officer understands that, if the Stalking Horse Bidder is the Successful Bidder and the acquisition of the Canadian Business proceeds as an asset sale, it is contemplated that the Stalking Horse APA will be amended, including to address certain tax considerations related to RL Canada's (a Delaware entity) disposition of those assets.
29. The Sale Procedures Order is procedural in nature and does *not* approve the transaction contemplated by the Stalking Horse Bid. Rather, the approval of any transaction with the Successful Bidder (whether or not such bidder is the Stalking Horse Bidder) will be the subject of a further approval hearing before the U.S. Bankruptcy Court which is anticipated to be heard on July 29, 2024. The Foreign Representative also intends to seek recognition from the Canadian Court of any order approving such transaction or transactions by the U.S. Bankruptcy Court.

Sale Procedures

30. The Sale Procedures Order sets forth the following key dates and deadlines for the Sale Procedure:

*Five (5) business days
after the entry of the Sale
Procedures Order* → Deadline for the Debtors to publish the Publication
Notice

- June 28, 2024* → Deadline for the Debtors to (a) provide Adequate Assurance Information³ with respect to Stalking Horse Bidder and (b) file and serve the Assumption and Assignment Notice
- July 12, 2024, at 5:00 p.m. (Eastern Time)* → Sale Objection Deadline
- July 18, 2024, at 5:00 p.m. (Eastern Time)* → Bid Deadline
- July 19, 2024* → Deadline for Debtors to provide Adequate Assurance Information with respect to each Bidder other than the Stalking Horse Bidder that the Debtors believe in their business judgment, following consultation with the Consultation Parties, will constitute a Qualified Bidder
- July 22, 2024, at 5:00 p.m. (Eastern Time)* → Deadline for Debtors to Notify Bidders of Status as Qualified Bidders
- July 23, 2024, at 5:00 p.m. (Eastern Time)* → Auction (if any)
- The later of (a) July 24, 2024 at 12:00 p.m. (Eastern Time) and (b) twelve (12) hours after the conclusion of the Auction* → Deadline for Debtors to file Notice of Auction Results

³ The Sale Procedures Order defines “Adequate Assurance Information” as, among other things, evidence of a bidder’s (or any other relevant assignee’s) ability to perform future obligations arising under any contracts included in its bid. This may include, without limitation, evidence regarding the bidder’s financial wherewithal and willingness to perform under any such contract.

- July 26, 2024, at 11:59 p.m. (Eastern Time)* → Post-Auction Objection Deadline
- July 29, 2024, at 1:30 p.m. (Eastern Time)* → Sale Hearing⁴
- July 30, 2024* → Deadline for Court to enter Sale Order
- August 3, 2024* → Deadline to consummate approved Sale Transactions⁵

31. The foregoing timeline is consistent with the milestone requirements of the DIP Credit Agreement and is necessary to maintain access to the DIP Facility. The Debtors believe that this timeline provides them with a reasonable opportunity to conduct a thorough marketing process for their assets and is in the best interests of the Debtors' estates.
32. The Sale Procedures are intended to solicit bids which are superior to the Stalking Horse Bid. Specifically, pursuant to the Sale Procedures Order, all overbids relating to the Stalking Horse Assets (as defined in the Sale Procedures Order) must:
- (a) (i) be a bid for all of the Stalking Horse Assets, (ii) include cash consideration of not less than the sum of the purchase price set forth in the Stalking Horse APA (excluding, for the avoidance of doubt, any "Assumed Liabilities" to be assumed by the Stalking Horse Bidder pursuant to the Stalking Horse APA) *plus* all obligations outstanding under the DIP Documents which are not included in the purchase price set forth in the applicable Stalking Horse APA, *plus* an Initial Bid

⁴ The RSA requires a Sale Hearing to be conducted by no later than *70 days* after the Petition Date. However, the Pre-petition Secured Parties under the RSA have consented to the Sale Hearing being conducted on July 29, 2024, which is *71 days* after the Petition Date.

⁵ The Information Officer understands that the RSA provides that if the Sale Order is entered within *70 days* after the Petition Date, such deadline to consummate shall be extended to 90 days after the Petition Date solely for the purpose of obtaining regulatory approvals necessary to consummate the Sale. However, the Pre-petition Secured Parties under the RSA have consented to provide such 90-day extension if the Sale Order is entered within *71 days* after the Petition Date.

Increment of USD \$2.5 million, and (iii) assume the Assumed Liabilities (as such terms are defined in the Sale Procedures Order); or

- (b) propose an alternative transaction that, in the Debtors' business judgment and in consultation with the Consultation Parties, provides higher value or better terms than the Stalking Horse Bid, including by exceeding the purchase price of such Stalking Horse Bid plus any applicable Initial Bid Increment, and after taking into account, among other things, in light of all the bids submitted, whether there is sufficient cash to pay (i) Wind-Down Expenses and (ii) the DIP Obligations; *provided however*, that any bid that does not include sufficient cash consideration to pay the DIP Obligations and fund the Excluded Cash in full shall not be a Qualified Bid (as such terms are defined in the Sale Procedure Order).
33. If the Debtors receive more than one Qualified Bid (including the Stalking Horse Bid) for an asset or combination of assets, the Debtors may conduct an auction in accordance with the Sale Procedures. In the event that the Debtors determine not to hold an auction for some or all of the assets, the Debtors will file with the U.S. Bankruptcy Court, and serve on applicable notice parties and cause to be published on the Claims Agent's website, a notice that the auction has been cancelled, the identity of the Successful Bidder, a copy of the Successful Bid or summary of its material terms, including any assumption and assignment of contracts contemplated thereby, and the date, time, and location of the Sale Hearing (as defined in the Sale Procedures Order).
34. The Sale Procedures Order also provides a mechanism for the assumption and assignment of contracts and leases (the "**Assumption and Assignment Procedure**") in the event that a sale transaction is approved and consummated. Under the Assumption and Assignment Procedure, the Assumption and Assignment Notice (as defined in the Sale Procedures Order) shall be delivered to the contract counterparties and will (a) identify the relevant contracts that may be assumed and assigned or rejected pursuant to section 365 of the U.S. Bankruptcy Code, (b) provide an estimate of the Cure Amount(s) (as defined in the Sale Procedures Order) owing in respect of such contract(s), (c) include a statement that assumption and assignment of each such contract is not required nor guaranteed, and (d)

inform such counterparty of the requirement to file any Contract Objection(s) by the Contract Objection Deadline (as such terms are defined in the Sale Procedures Order). Contract Objections must be in writing, filed with the U.S. Court, and served on the Objection Notice Parties (as defined in the Sale Procedures Order) by no later than the date that is 14 calendar days after service of the applicable Assumption and Assignment Notice.

35. If a Contract Objection is received, the Debtors and the objecting counterparty will confer in good faith to attempt to resolve the objection consensually. If the parties are unable to consensually resolve the Contract Objection prior to the commencement of the Sale Hearing, then the U.S. Bankruptcy Court shall make all necessary determinations relating to the applicable objection;⁶ *provided however*, that if the objection is resolved in a manner that is not in the best interests of the Debtors or their estates, the Debtors may determine that the contract subject to such objection will no longer be assumed or assigned within the applicable sale transaction.
36. If the Canadian Business is sold by way of an asset sale, the Assumption and Assignment Procedure will apply to contract counterparties who are involved with the Canadian Business. The Information Officer has reviewed the Assumption and Assignment Procedure with the assistance of Fasken, and is of the view that such procedures do not cause any unfairness to Canadian stakeholders.

Recognition of the Second Day Orders

37. The Information Officer is supportive of the Foreign Representative's request for recognition of the Second Day Orders pursuant to the proposed Second Supplemental Order given, among other things, that:
 - (a) Canadian and U.S. stakeholders are treated in the same manner under each of the Second Day Orders for which recognition is sought, including with respect to the Assumption and Assignment Procedure in Sale Procedures Order;

⁶ The hearing to determine unresolved Contract Objections is anticipated to be held on August 8, 2024 at 9:30 a.m. (Eastern Time). Such hearing may be adjourned in accordance with the terms of the Sale Procedures Order.

- (b) the granting of the Second Supplemental Order would be consistent with the principles of comity and facilitate the efficient coordination of the Chapter 11 Cases and these Recognition Proceedings;
- (c) the Second Day Orders for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of complex chapter 11 proceedings, and generally consistent with the forms of such orders frequently recognized by Canadian Courts in large cross-border insolvency proceedings;
- (d) the Second Day Orders are necessary to allow the Canadian Business to operate in the ordinary course while a going-concern sale is pursued in the Chapter 11 Cases which sale is anticipated to result in continued employment for the Debtors' Canadian employees;
- (e) the procedures and timelines set forth in the Second Day Orders are reasonable and appropriate in the circumstances;
- (f) RL Canada relies on certain other Debtors for business functions critical to its ongoing operation of the Canadian restaurants and the Debtors require the DIP Facility to continue to provide those business functions;
- (g) whereas a "roll-up" of pre-filing indebtedness would not be permitted in plenary proceedings under the CCAA, Canadian courts have recognized and given effect to "roll-ups" in ancillary proceedings under Part IV of the CCAA where approved by the supervising court in the foreign proceeding;
- (h) the Second Day Orders were supported by the Debtors' key stakeholders, including the DIP Agent and DIP Lenders;
- (i) the Second Day Orders were supported by the U.S. Trustee and the UCC, each of which had initially objected to the entry of certain Second Day Orders, including the Final DIP Order and Final Cash Management Order, but whose concerns were addressed in negotiated resolutions with the Debtors; and

- (j) the Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the Second Day Orders for which recognition is sought.

E. ACTIVITIES OF THE INFORMATION OFFICER

38. Since the date of the Pre-Filing Report, the activities of the Information Officer have included, among other things:
- (a) preparing for and attending the Foreign Representative's application for the Initial Recognition Order and the Supplemental Order;
 - (b) attending the hearing of the Debtors' motions before the U.S. Bankruptcy Court seeking entry of the Second Day Orders via Zoom videoconference;
 - (c) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
 - (d) establishing and updating the Case Website;
 - (e) publishing notices substantially in the form attached as Schedule "A" to the Initial Recognition Order in *The Globe and Mail (National Edition)*;
 - (f) notifying litigation claimants who have commenced proceedings against the Canadian Debtors and the relevant court offices of the stay of proceedings granted by the Canadian Court in these Recognition Proceedings;
 - (g) engaging in discussions with the Debtors regarding their cash flows and the Information Officer's anticipated review of same;
 - (h) responding to inquiries from stakeholders regarding the Restructuring Proceedings and related matters;
 - (i) engaging in discussions with Canadian counsel for the Foreign Representative and the other Canadian Debtors;

- (j) engaging in discussions with Alvarez & Marsal North America, LLC, the financial and restructuring advisors of the Debtors;
- (k) corresponding with Fasken, the Information Officer's independent counsel;
- (l) reviewing each of the Second Day Orders, and the corresponding motions, in respect of which recognition is sought;
- (m) preparing this First Report; and
- (n) preparing for the hearing of the Foreign Representative's motion for recognition of the Second Day Orders.

F. CONCLUSION

39. For the reasons set out in this First Report, the Information Officer supports the relief sought by the Foreign Representative on the motion discussed herein and respectfully recommends that the Canadian Court grant the proposed Second Supplemental Order.

Dated this 17th day of June, 2024.

FTI Consulting Canada Inc.,
*solely in its capacity as Information Officer
in these Recognition Proceedings, and not
in its personal or corporate capacity*

DocuSigned by:

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Jeffrey Rosenberg
Senior Managing Director

APPENDIX "C"

ORDERED.

Dated: July 31, 2024



Grace E. Robson
United States Bankruptcy Judge



**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmb.uscourts.gov**

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| IN RE: | Chapter 11 Cases |
| RED LOBSTER MANAGEMENT LLC, ¹ | Case No. 6:24-bk-02486-GER Lead Case |
| | Jointly Administered with |
| RED LOBSTER RESTAURANTS LLC, RLSV, INC., RED LOBSTER CANADA, INC., RED LOBSTER HOSPITALITY LLC, RL KANSAS LLC, RED LOBSTER SOURCING LLC, RED LOBSTER SUPPLY LLC, RL COLUMBIA LLC, RL OF FREDERICK, INC., RED LOBSTER OF TEXAS, INC., | Case No. 6:24-bk-02487-GER Case No. 6:24-bk-02488-GER Case No. 6:24-bk-02489-GER Case No. 6:24-bk-02490-GER Case No. 6:24-bk-02491-GER Case No. 6:24-bk-02492-GER Case No. 6:24-bk-02493-GER Case No. 6:24-bk-02494-GER Case No. 6:24-bk-02495-GER Case No. 6:24-bk-02496-GER |

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

RL MARYLAND, INC.,
RED LOBSTER OF BEL AIR, INC.,
RL SALISBURY, LLC,
RED LOBSTER INTERNATIONAL HOLDINGS LLC,

Case No. 6:24-bk-02497-GER
Case No. 6:24-bk-02498-GER
Case No. 6:24-bk-02499-GER
Case No. 6:24-bk-02500-GER

Debtors.

**ORDER GRANTING DEBTORS' MOTION FOR
ENTRY OF AN ORDER (I) APPROVING CLAIMS OBJECTION
PROCEDURES AND (II) AUTHORIZING ADDITIONAL CLAIM
OBJECTION CATEGORIES FOR OMNIBUS CLAIM OBJECTIONS**

THIS CASE came before the Court on July 26, 2024, at 10:00 a.m. in Orlando, Florida, for a hearing (the "Hearing") upon the *Debtors' Motion for Entry of an Order (I) Approving Omnibus Claims Objection Procedures and (II) Authorizing Additional Claims Objection Categories for Omnibus Claim Objections* [ECF No. 652] (the "Motion") seeking entry of an order (i) approving the claims Objection Procedures (defined herein); (ii) authorizing the Debtors to file omnibus claims objections that add categories not included in Bankruptcy Rule 3007(d)(1)-(8); and (iii) granting related relief. The Court having considered the Motion, finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (c) this matter is core pursuant to 28 U.S.C. § 157(b)(2); (d) the Court may enter a final order consistent with Article III of the United States Constitution; (e) notice of the Motion and opportunity for a hearing thereon was sufficient under the circumstances and no other or further notice need be provided; (f) the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; (g) this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and (h) upon all of the proceedings had before this Court; has determined that good and sufficient cause exists to grant the relief requested. Accordingly, it is

ORDERED THAT:

1. The Motion is **GRANTED**.
2. Notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, and pursuant to Bankruptcy Rule 3007(c), the Debtors and any person or entity with the powers to reconcile claims (each, an “Objecting Party”) may file Omnibus Objections² that include objections to claims, including, but not limited to, any scheduled claims, on any basis provided for in Bankruptcy Rule 3007(d) and/or the Additional Grounds.
3. The Objection Procedures attached hereto as **Exhibit 1** are approved. The Debtors and any Objecting Party may file and prosecute any Omnibus Objections in accordance with the Objections Procedures and Bankruptcy Rule 3007(e).
4. The form of Objection Notice, as modified, attached hereto as **Exhibit 2** is approved.
5. The withdrawal of proof of claim form (the “Withdrawal of Claim Form”) attached hereto as **Exhibit 3** is hereby approved. Notwithstanding Bankruptcy Rule 3006, a creditor may use the Withdrawal of Claim Form to withdraw a claim regardless of whether such claim is subject to a filed objection.
6. For the avoidance of doubt, the relief accorded herein shall also be available to the Debtors, any successor to the Debtors, and any Objecting Party, including, without limitation, any Objecting Party appointed pursuant to a confirmed chapter 11 plan of the Debtors (the “Plan”). To effectuate the relief accorded herein, if an Objecting Party is appointed pursuant to the Plan or otherwise, such Objecting Party shall automatically be deemed one of the “Notice Parties” (as

² Capitalized terms not defined herein shall have the meanings provided to them in the Motion.

defined in the Objection Procedures and Objection Notice) and the Objection Procedures and Objection Notice shall be revised to reflect the same.

7. Notice of any Omnibus Objection provided in accordance with the Objection Procedures shall constitute, and shall be deemed, good and sufficient notice of any such Omnibus Objection.

8. Nothing in this Order or in the Motion is, or shall be deemed to constitute, any admission as to the validity, nature, amount, extent, or priority of any claim asserted against the Debtors, in these Chapter 11 Cases, or as a waiver of any right of the Debtors and any Objecting Party, as applicable, to dispute the validity, nature, amount, extent, or priority of, or otherwise object to, either in the same or subsequent objections, on any grounds to any such claims.

9. Nothing in this Order shall obligate the Debtors or any Objecting Party, as applicable, each in its sole discretion, to settle or pursue settlement of any particular claim. Settlement of claims may be negotiated and compromised by the Debtors or any Objecting Party, as applicable, each in its sole discretion (subject to applicable law, and, if applicable, the terms of the Plan).

10. The Debtors and any Objecting Party are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

11. The terms, conditions, and provisions of this Order shall be immediately effective and enforceable upon entry hereof.

12. The Court shall retain exclusive jurisdiction to resolve any dispute arising from or relating to this Order.

#

(Attorney Paul Steven Singerman is directed to serve a copy of this order on interested parties who are non-CM/ECF users and to file a proof of service within three days of entry of the order.)

Exhibit 1

Objection Procedures

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**
www.flmb.uscourts.gov

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|---|--|
| IN RE: | Chapter 11 Cases |
| RED LOBSTER MANAGEMENT LLC, ¹ | Case No. 6:24-bk-02486-GER Lead Case |
| | Jointly Administered with |
| RED LOBSTER RESTAURANTS LLC, RLSV, INC., RED LOBSTER CANADA, INC., RED LOBSTER HOSPITALITY LLC, RL KANSAS LLC, RED LOBSTER SOURCING LLC, RED LOBSTER SUPPLY LLC, RL COLUMBIA LLC, RL OF FREDERICK, INC., RED LOBSTER OF TEXAS, INC., RL MARYLAND, INC., RED LOBSTER OF BEL AIR, INC., RL SALISBURY, LLC, RED LOBSTER INTERNATIONAL HOLDINGS LLC, | Case No. 6:24-bk-02487-GER Case No. 6:24-bk-02488-GER Case No. 6:24-bk-02489-GER Case No. 6:24-bk-02490-GER Case No. 6:24-bk-02491-GER Case No. 6:24-bk-02492-GER Case No. 6:24-bk-02493-GER Case No. 6:24-bk-02494-GER Case No. 6:24-bk-02495-GER Case No. 6:24-bk-02496-GER Case No. 6:24-bk-02497-GER Case No. 6:24-bk-02498-GER Case No. 6:24-bk-02499-GER Case No. 6:24-bk-02500-GER |

Debtors.

PROCEDURES FOR FILING OMNIBUS CLAIMS OBJECTIONS

1. Grounds for Omnibus Objections. In addition to those grounds expressly set forth in Bankruptcy Rule 3007(d), the Debtors² and any other person or entity with the powers to

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Debtors' Motion for Entry of an Order (I) Approving Omnibus Claims Objection Procedures and (II) Authorizing Additional Claims Objection Categories for Omnibus Claim Objections* (the "Motion").

reconcile claims (each, an “Objecting Party”) may file omnibus objections (each, an “Omnibus Objection”) to claims on the grounds (the “Additional Grounds”) that such claims, in part or in whole:

- a. are inconsistent with the Debtors’ Book and Records;
- b. fail to specify the asserted claim amount (or only list or identify the claim amount as “unliquidated”);
- c. seek recovery of amounts for which the Debtors are not liable;
- d. are incorrectly or improperly classified;
- e. have been formally withdrawn by the claimant through the filing of a pleading or through the entry of a Court order indicating withdrawal of the claim;
- f. have been withdrawn by informal writing (including email, text, or similar such means) between (i) the Debtors or the Objecting Party and (ii) the claimant, but have not been withdrawn by the submission of a Withdrawal of Claim Form in accordance with the Objection Procedures; *provided that* a copy of such informal writing be filed concurrently with the Omnibus Objection;
- g. are filed against non-Debtors, the incorrect Debtor, or are filed against multiple Debtors;
- h. fail to specify a Debtor against whom the claim is asserted;
- i. are disallowed or subordinated to claims and interests pursuant to Section 510(b) of the Bankruptcy Code;
- j. are satisfied, assumed, reinstated, released, or disallowed under any chapter 11 plan of reorganization confirmed by this Court (a “Plan”), an order of this Court confirming a Plan (a “Confirmation Order”) or any other order of this Court;
- k. are disallowed pursuant to Section 502 of the Bankruptcy Code;
- l. are unsigned;
- m. have not been timely filed;
- n. claims or interests that incorrectly assert priority, including as secured, administrative, or priority claims;

- o. assert a priority in an amount that exceeds the maximum amount under Section 507 of the Bankruptcy Code; or
- p. fail to sufficiently specify the basis for the claim or provide sufficient supporting documentation therefor.

2. Form of Omnibus Objection. Each Omnibus Objection will be numbered consecutively by the Debtors or Objecting Party, as applicable, regardless of basis.

3. Supporting Documentation. To the extent appropriate, Omnibus Objections shall include an affidavit or declaration that provides a factual basis for the Debtors' or the Objecting Party's, as applicable, objection to the claims, including from someone with personal knowledge of the Debtors' Books and Records and the manner in which they are maintained that states that the affiant or the declarant has reviewed the claims included therein and applicable supporting information and documentation provided therewith, made reasonable efforts to research the claim on the Debtors' Books and Records, and determined that the Books and Records do not reflect the debt or the amount of debt that is alleged in the claim.

4. Claims Exhibits. An exhibit listing the claims that are subject to the particular Omnibus Objection will be attached thereto. Each exhibit will include only the claims to which there is a common basis for the objection. Claims for which there is more than one basis for the objection may be referenced on each exhibit applicable thereto or additional objections may be cited by footnote. The exhibits will include, without limitation, the following information alphabetized by claimant:

- a. the claims that are the subject of the Omnibus Objection and, if applicable, the proof of claim or scheduled claim number related thereto from the claims register;
- b. the asserted amount of the claim (as applicable);
- c. the grounds for the objection; and

- d. other information, as applicable, including: (i) the proposed classification of claims the Debtors seek to reclassify; or (ii) the reduced claim amounts of claims the Debtors seek to reduce.

5. Objection Notice. Each Objection will be accompanied by an objection notice, substantially in the form attached to the Order as Exhibit 2 (the “Objection Notice”), tailored, as appropriate, to address a particular creditor, claim, or objection, which will:

- a. describe the basic nature of the objection;
- b. inform creditors that their rights may be affected by the objection;
- c. describe the procedures for filing a written response (each, a “Response”) to the objection, including all relevant dates and deadlines related thereto;
- d. identify the hearing date, if applicable, and related information; and
- e. describe how copies of proofs of claim, the Omnibus Objection, and other pleadings filed in these Chapter 11 Cases may be obtained.

6. Notice and Service. Each Omnibus Objection will be filed with the Court and served (i) electronically using the Court’s electronic filing system; and (ii) via first class mail, postage prepaid, upon the person designated on the claim as the person to receive notices, at the address so indicated and, if applicable, upon the claimant’s attorney if such attorney has filed a formal appearance in the Chapter 11 Cases on behalf of such creditor and appeared on the face of the proof of claim form.

7. Omnibus Claims Objection Hearings. To the extent required, each Omnibus Objection shall be set for hearing no earlier than 30 days after service of the Omnibus Objection (each, a “Hearing”). In the Debtors’ or the Objecting Party’s sole discretion, as applicable, and after notice to the affected claimant (and, subject to Paragraph 6 herein, their counsel), the Debtors or the Objecting Party, as applicable, may (without further order of the Court) adjourn the Hearing on the Omnibus Objection to a subsequent hearing date by filing a notice or making a statement on the record. For claims subject to an Omnibus Objection and with respect to which either no

Response is filed in accordance with the response procedures herein, or a Response is filed in accordance with the response procedures herein but such Response is resolved prior to the date of any scheduled Hearing, the Debtors or the Objecting Party, as applicable, may request that the Court enter an order granting the Omnibus Objection with respect to such claim without Hearing. Contested claims for which a Response is filed in accordance with these Objection Procedures but such Response is not resolved prior to the Hearing, and an appearance is made at the Hearing, may be heard at the Hearing or adjourned to a subsequent hearing date in the Debtors' or Objecting Party's sole discretion, as applicable. If a subsequent hearing is determined to be necessary, the Debtors or the Objecting Party, as applicable, shall file with the Court and serve on the affected claimant(s) (and subject to Paragraph 6 herein, their counsel) a notice of the hearing (the date of which shall be determined in consultation with the affected claimant(s)) or announce such adjournment on the record, as applicable. Notwithstanding the foregoing, nothing herein shall prejudice the Debtors' or the Objecting Party's, as applicable, rights to seek entry of an order sustaining the Omnibus Objection as to any or all claims contained therein, as applicable.

8. Contested Matter. Each claim subject to an Omnibus Objection and the Response thereto shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014, and any order entered by the Court will be deemed a separate order with respect to such claim. The Debtors or the Objecting Party, as applicable, may, in their discretion and in accordance with other orders of this Court, including, without limitation, the Confirmation Order, and any applicable provisions of the Bankruptcy Code and Bankruptcy Rules, settle the priority, amount, and validity of such contested claims without any further notice to or action, order, or approval of the Court.

Responses to Omnibus Objections

9. Parties Required to File a Response. Any party who disagrees with an Omnibus Objection is required to file a Response in accordance with the procedures set forth herein and to appear at the Hearing, if any. If a claimant whose claim is subject to an Omnibus Objection does not file and serve a Response in compliance with the procedures below or fails to appear at the Hearing, if any, the Court may grant the Omnibus Objection with respect to such claim without further notice to the claimant.

10. Response Contents. Each Response must contain the following (at a minimum):

- a. a caption stating the name of the Court, the name of the applicable Debtor or Debtors, the case number, and the Omnibus Objection and claim(s) to which the Response is directed;
- b. a concise statement setting forth the reasons why the Court should not sustain the objection with respect to such claim, including the factual and legal bases upon which the claimant will rely in opposing the Omnibus Objection;
- c. to the extent not already included with the claim, a copy of any other documentation or other evidence of the claim, upon which the claimant will rely in opposing the objection; *provided* that the claimant need not disclose confidential, proprietary, or otherwise protected information in the Response; *provided, further*, that the claimant shall disclose to the Debtors' counsel or the Objecting Party's counsel, as applicable, all information and provide copies of all documents that the claimant believes to be confidential, proprietary, or otherwise protected and upon which the claimant intends to rely in support of its claim, subject to appropriate confidentiality constraints;
- d. a declaration or other statement of a person with personal knowledge of the relevant facts that support the Response; and
- e. the following contact information for the responding party:

the name, address, telephone number, and email address of the responding claimant or the name, address, telephone number, and email address of the claimant's attorney or designated representative to whom the attorneys for the Debtors or the Objecting Party, as applicable, should serve a reply to the Response, if any; or

the name, address, telephone number, and email address of the party with authority to reconcile, settle, or otherwise resolve the objection on the claimant’s behalf.

11. Filing and Service of the Response. A Response will be deemed timely only if it is (i) filed with the Clerk of the Court, George C. Young Federal Courthouse, 400 W. Washington Street, Suite 5100, Orlando, FL 32801; (ii) sent by email or mail on the Notice Parties (as defined below); or (iii) filed through CM/ECF to include the Notice Parties (as defined below) and served and *actually received* by 4:00 p.m. (prevailing Eastern Time) on the day that is 21 calendar days from the date the Omnibus Objection is served (the “Response Deadline”), by the parties identified on the applicable Omnibus Objection (the “Notice Parties”) including (or as updated on the individual notice):

| The Debtors | Counsel to the Debtors | United States Trustee | Official Committee of Unsecured Creditors |
|--|---|--|---|
| c/o Red Lobster Management LLC 450 S. Orange Avenue, Suite 800 Orlando, Florida 32801 (Attn: Jonathan Tibus (jtibus@alvarezandmarsal.com), Nicholas Haughey, (nhaughey@alvarezandmarsal.com)) | King & Spalding LLP 1180 Peachtree Street NE, Suite 1600 Atlanta, Georgia 30309 (Attn: W. Austin Jowers, Esq. (ajowers@kslaw.com), Jeffrey R. Dutson, Esq. (jdutson@kslaw.com), Sarah Primrose, Esq. (sprimrose@kslaw.com)) King & Spalding LLP 110 Louisiana Street #4100 Houston, Texas 77002 Michael Fishel, Esq. (mfishel@kslaw.com)), Berger Singerman LLP 1450 Brickell Avenue, Suite 1900 Miami, Florida 33131 | United States Trustee Attn: Scott E Bomkamp 400 W. Washington Street, Suite 1100 Orlando, FL 32801 407-648-6301 ext. 150 Email: scott.e.bomkamp@usdoj.gov | Pachulski Stang Ziehl & Jones LLP 780 Third Avenue, 34th Floor New York, NY 10017 (Attn: Bradford J. Sandler (bsandler@pszjlaw.com) Robert J. Feinstein (rfeinstein@pszjlaw.com), Paul J. Labov (plabov@pszjlaw.com), and Theodore S. Heckel (theckel@pszjlaw.com)), and Pack Law, P.A. 51 Northeast 24th Street, Suite 108 Miami, Florida 33137 (Attn: Joe Pack (joe@packlaw.com) and Jessey Krehl (jessey@packlaw.com)) |

| | | | |
|--|---|--|--|
| | (Attn: Paul Steven Singerman, Esq. (singerman@bergersingerman.com)) | | |
|--|---|--|--|

For the avoidance of doubt, a response can be sent by email or filed through CM/ECF.

12. Discovery. If the Debtors or Objecting Party, as applicable, determine that discovery is necessary in advance of a Hearing on an Omnibus Objection (if any), the Debtors or Objecting Party, as applicable, may serve notice on the affected claimant and its counsel of record that the scheduled Hearing (if any) will be treated as a status conference during which the parties may request that the Court issue a scheduling order to facilitate dismissal or resolution of the litigation. Such notice may be incorporated into the initial agenda letter for the Hearing or may be provided by separate notice.

13. Failure to Respond. A Response that is not filed and served in accordance with the procedures set forth herein may not be considered by the Court at the Hearing. **Absent reaching an agreement with the Debtors or the Objecting Party, as applicable, resolving the objection to a claim (as described in the Objection Notice), failure to timely file and serve a Response as set forth herein or to appear at the Hearing, to the extent one is held, may result in the Court granting the Omnibus Objection without further notice or hearing.** Upon entry of an order sustaining an Omnibus Objection, affected creditors will be served with such order.

14. Reply to a Response. The Debtors or the Objecting Party, as applicable, shall be permitted to file a reply to any Response no later than one (1) calendar day before the Hearing with respect to the relevant Omnibus Objection.

Miscellaneous

15. **Additional Information.** Copies of these procedures, the Motion, the order granting the Motion, or any other pleadings (the “Pleadings”) filed in these Chapter 11 Cases are available at <https://dm.epiq11.com/case/redlobster/info>. You may also obtain copies of any of the Pleadings for a fee at the Court’s website at <https://www.flmb.uscourts.gov>. A login identification and password to the Court’s Public Access to Court Electronic Records (“PACER”) are required to access this information and can be obtained through the PACER Service Center at <https://www.pacer.uscourts.gov>.

16. **Reservation of Rights.** **NOTHING IN ANY OMNIBUS OBJECTION OR OBJECTION NOTICE IS INTENDED OR SHALL BE DEEMED TO CONSTITUTE (A) AN ADMISSION AS TO THE AMOUNT OF, BASIS FOR, OR VALIDITY OF ANY CLAIM AGAINST ANY OF THE DEBTORS UNDER THE BANKRUPTCY CODE OR OTHER APPLICABLE NONBANKRUPTCY LAW; (B) AN IMPAIRMENT OR WAIVER OF ANY DEBTOR’S OR ANY OTHER PARTY IN INTEREST’S RIGHT TO DISPUTE ANY CLAIM AGAINST, OR INTEREST IN, ANY DEBTOR, ITS PROPERTY, OR ITS ESTATE ON ANY GROUNDS; (C) A PROMISE OR REQUIREMENT TO PAY ANY CLAIM; (D) AN ASSUMPTION, ADOPTION, OR REJECTION OF ANY AGREEMENT, CONTRACT, OR LEASE UNDER SECTION 365 OF THE BANKRUPTCY CODE; (E) AN IMPLICATION, ADMISSION, OR FINDING THAT ANY PARTICULAR CLAIM IS AN ADMINISTRATIVE EXPENSE CLAIM, OTHER PRIORITY CLAIM, OR OTHERWISE OF A TYPE SPECIFIED OR DEFINED IN THIS MOTION OR ANY ORDER GRANTING THE RELIEF REQUESTED BY THIS MOTION; (F) AN IMPLICATION, ADMISSION, OR FINDING AS TO (I) THE VALIDITY, PRIORITY, ENFORCEABILITY, OR**

PERFECTION OF ANY LIEN ON, SECURITY INTEREST IN, OR OTHER ENCUMBRANCE ON THE PROPERTY OF ANY DEBTOR OR ITS ESTATE OR (II) A WAIVER OR LIMITATION ON ANY PARTY'S ABILITY TO CHALLENGE, RECHARACTERIZE AS EQUITY, VOID, CLAW BACK, OR SEEK OTHER RELIEF WITH RESPECT TO ANY PARTICULAR PAYMENTS AUTHORIZED HEREUNDER; (G) AN IMPAIRMENT OR WAIVER OF ANY CLAIMS OR CAUSES OF ACTION WHICH MAY EXIST AGAINST ANY ENTITY; OR (H) A WAIVER OF ANY DEBTOR'S OR ANY OTHER PARTY IN INTEREST'S RIGHTS UNDER THE BANKRUPTCY CODE OR ANY OTHER APPLICABLE LAW.

Dated: _____, 2024

W. Austin Jowers (*pro hac vice* admitted)
Jeffrey R. Dutson (*pro hac vice* admitted)
Sarah L. Primrose (FL Bar No. 98742)
Christopher K. Coleman (*pro hac vice* admitted)
Brooke L. Bean (*pro hac vice* admitted)
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– and –

Michael Fishel (*pro hac vice* admitted)
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Respectfully submitted,

/s/ Paul Steven Singerman
Paul Steven Singerman
Florida Bar No. 378860
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– and –

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Filer's Attestation: Pursuant to Local Rule 1001-2(g)(3) regarding signatures, Paul Steven Singerman attests that concurrence in the filing of this paper has been obtained.

Counsel for Debtors and Debtors-in-Possession

Exhibit 2

Sample Objection Notice

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**
www.flmb.uscourts.gov

IN RE:

Chapter 11 Cases

RED LOBSTER MANAGEMENT LLC,¹

Case No. 6:24-bk-02486-GER
Lead Case

Jointly Administered with

RED LOBSTER RESTAURANTS LLC,
RLSV, INC.,
RED LOBSTER CANADA, INC.,
RED LOBSTER HOSPITALITY LLC,
RL KANSAS LLC,
RED LOBSTER SOURCING LLC,
RED LOBSTER SUPPLY LLC,
RL COLUMBIA LLC,
RL OF FREDERICK, INC.,
RED LOBSTER OF TEXAS, INC.,
RL MARYLAND, INC.,
RED LOBSTER OF BEL AIR, INC.,
RL SALISBURY, LLC,
RED LOBSTER INTERNATIONAL HOLDINGS LLC,

Case No. 6:24-bk-02487-GER
Case No. 6:24-bk-02488-GER
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Case No. 6:24-bk-02491-GER
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Case No. 6:24-bk-02497-GER
Case No. 6:24-bk-02498-GER
Case No. 6:24-bk-02499-GER
Case No. 6:24-bk-02500-GER

Debtors.

NOTICE OF DEBTORS' [NUMBER] OMNIBUS CLAIMS OBJECTION

THIS IS AN OBJECTION TO YOUR CLAIM. THE OBJECTING PARTY IS ASKING THE COURT TO DISALLOW, EXPUNGE, RECLASSIFY, OR REDUCE THE CLAIM THAT YOU FILED IN THIS BANKRUPTCY CASE.

CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES AND CLAIMS ON EXHIBIT A TO THE

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

OBJECTION. YOU SHOULD IMMEDIATELY CONTACT THE OBJECTING PARTY TO RESOLVE THE DISPUTE. IF YOU DO NOT REACH AN AGREEMENT, YOU MUST FILE A RESPONSE TO THIS OBJECTION AND SEND A COPY OF YOUR RESPONSE TO THE NOTICE PARTIES (DEFINED HEREIN) WITHIN 21 DAYS AFTER THE OBJECTION WAS SERVED ON YOU.

YOUR RESPONSE MUST STATE WHY THE OBJECTION IS NOT VALID. IF YOU DO NOT FILE A RESPONSE WITHIN 21 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED WITHOUT A HEARING.

Important Information Regarding the Objection

Grounds for the Objection. By the Objection, the [**Debtors/Objecting Party**] [**i s / a r e**] seeking to [**disallow/expunge/reclassify/reduce**] your claim(s) on the grounds that your claim(s) [is/are] [____]. The claim(s) subject to the Objection may be found on the schedules attached to the Objection, a copy of which has been provided with this notice.

Objection Procedures. On [____], 2024, the United States Bankruptcy Court for the Middle District of Florida (the “**Court**”) entered an order [ECF No. [____]] approving procedures for filing and resolving objections to claims asserted against the Debtors in these Chapter 11 Cases (the “**Objection Procedures**”). A copy of the Objection Procedures is included with this notice. Please review the Objection Procedures to ensure your response to the Objection, if any, is timely and correctly filed and served.

Response and Service. If you disagree with the Objection filed with respect to your claim, you must file a response (each, a “**Response**”) with the Court and serve such Response in accordance with the procedures described below, and appear at the Hearing (as defined herein). Your Response must be (i) filed with the Clerk of the Court, George C. Young Federal Courthouse, 400 W. Washington Street, Suite 5100, Orlando, FL 32801; (ii) sent by email or mail on the parties below; or (iii) filed through CM/ECF to include the parties listed below; **and** (iv) served so as to be actually received by 4:00 p.m. (prevailing Eastern Time) on [____], 2024 (the “**Response Deadline**”) by the following parties (the “**Notice Parties**”):

| The Debtors | Counsel to the Debtors | United States Trustee | Official Committee of Unsecured Creditors |
|--|---|---|--|
| <p>c/o Red Lobster Management LLC 450 S. Orange Avenue, Suite 800 Orlando, Florida 32801 (Attn: Jonathan Tibus (jtibus@alvarezandmarsal.com), Nicholas Haughey, (nhaughey@alvarezandmarsal.com))</p> | <p>King & Spalding LLP 1180 Peachtree Street NE, Suite 1600 Atlanta, Georgia 30309 (Attn: W. Austin Jowers, Esq. (ajowers@kslaw.com), Jeffrey R. Dutson, Esq. (jdutson@kslaw.com), Sarah Primrose, Esq. (sprimrose@kslaw.com), King & Spalding LLP 110 Louisiana Street #4100 Houston, Texas 77002 Michael Fishel, Esq. (mfishel@kslaw.com)) Berger Singerman LLP 1450 Brickell Avenue, Suite 1900 Miami, Florida 33131 (Attn: Paul Steven Singerman, Esq. (singerman@bergersingerman.com))</p> | <p>United States Trustee Attn: Scott E Bomkamp 400 W. Washington Street Suite 1100 Orlando, FL 32801 407-648-6301 ext. 150 Email: scott.e.bomkamp@usdoj.gov</p> | <p>Pachulski Stang Ziehl & Jones LLP 780 Third Avenue, 34th Floor New York, NY 10017 (Attn: Bradford J. Sandler (bsandler@pszjaw.com), Robert J. Feinstein (rfeinstein@pszjaw.com), Paul J. Labov (plabov@pszjlaw.com), and Theodore S. Heckel (theckel@pszjlaw.com), and Pack Law, P.A. 51 Northeast 24th Street, Suite 108 Miami, Florida 33137 (Attn: Joe Pack (joe@packlaw.com) and Jessey Krehl (jessey@packlaw.com))</p> |

For the avoidance of doubt, a response can be sent by email or filed through CM/ECF.

Response Contents. Each Response must contain the following (at a minimum):

- a. a caption with the name of the Court, the name of the applicable Debtor or Debtors, the case number, and the title of the Objection to which the Response is directed;
- b. a concise statement setting forth the reasons why the Court should not grant the Objection with respect to your claim, including the specific factual and legal bases upon which you rely in opposing the Objection;

- c. copies of documentation or other evidence of your claim not previously filed with proof of such claim on which your Response is based (excluding confidential, proprietary, or other protected information, copies of which **must** be provided to the counsel to the [Debtors/Objecting Party], subject to appropriate confidentiality constraints, if any);
- d. a declaration or other statement of a person with personal knowledge of the relevant facts that support the Response; and
- e. the following contact information for the responding party:

the name, address, telephone number, and email address of the responding claimant or the name, address, telephone number, and email address of the claimant's attorney or designated representative to whom the attorneys for the Debtors should serve a reply to the Response, if any; or

the name, address, telephone number, and email address of the party with authority to reconcile, settle, or resolve the Objection on your behalf.

Failure to Respond. A Response that is not filed and served in accordance with the procedures set forth herein may not be considered by the Court at the Hearing. **Absent an agreement with the [Debtors/Objecting Party] resolving the Objection to a claim, failure to timely file and serve a Response as set forth herein and appear at the Hearing may result in the Court granting the Objection without further notice or hearing.** Upon entry of an order, affected creditors will be served with a notice of entry, and a copy, of the order.

Hearing on the Objection

Date, Time, and Location. A hearing (the "Hearing") on the Objection will be held on [] at [] (prevailing Eastern Time), before the **Honorable Grace E. Robson, in the United States Bankruptcy Court, George C. Young Federal Courthouse, 400 W. Washington Street, Courtroom 6D, 6th Floor, Orlando, Florida 32801. The Hearing may be adjourned to a subsequent date in these Chapter 11 Cases in the [Debtors'/Objecting Party's] sole discretion.** You must attend the Hearing if you disagree with the Objection and have filed a Response. Contested claims for which (a) a Response is filed in accordance with the procedures, but such Response is not resolved prior to the Hearing, and (b) an appearance is made at the Hearing, may be heard at the Hearing or adjourned to a subsequent hearing in the [Debtors'/Objecting Party's] sole discretion. If a subsequent hearing is determined to be necessary, the [Debtors/Objecting Party] shall file with the Court and serve on the affected claimants a notice of the hearing (the date of which shall be determined in consultation with the affected claimant(s)).

Discovery. If the [Debtors/Objecting Party] determine that discovery is necessary in advance of a hearing on an Objection, the [Debtors/Objecting Party] may serve notice on the affected claimant and its counsel of record that the scheduled hearing will be treated as a status

conference during which the parties may request that the Court issue a scheduling order to facilitate dismissal or resolution of the litigation. Any such notice may be incorporated into the initial agenda letter for the hearing or may be provided by separate notice.

Additional Information

Questions or Information. Copies of Objection Procedures and any other pleadings (the “Pleadings”) filed in these Chapter 11 Cases are available at <https://dm.epiq11.com/case/redlobster/info>. You may also obtain copies of any of the Pleadings for a fee at the Court’s website at <https://www.flmb.uscourts.gov>. A login identification and password to the Court’s Public Access to Court Electronic Records (“PACER”) are required to access this information and can be obtained through the PACER Service Center at <https://www.pacer.uscourts.gov>.

Reservation of Rights

NOTHING IN ANY OMNIBUS OBJECTION OR OBJECTION NOTICE IS INTENDED OR SHALL BE DEEMED TO CONSTITUTE (A) AN ADMISSION AS TO THE AMOUNT OF, BASIS FOR, OR VALIDITY OF ANY CLAIM AGAINST ANY OF THE DEBTORS UNDER THE BANKRUPTCY CODE OR OTHER APPLICABLE NONBANKRUPTCY LAW; (B) AN IMPAIRMENT OR WAIVER OF ANY DEBTOR’S OR ANY OTHER PARTY IN INTEREST’S RIGHT TO DISPUTE ANY CLAIM AGAINST, OR INTEREST IN, ANY DEBTOR, ITS PROPERTY, OR ITS ESTATE ON ANY GROUNDS; (C) A PROMISE OR REQUIREMENT TO PAY ANY CLAIM; (D) AN ASSUMPTION, ADOPTION, OR REJECTION OF ANY AGREEMENT, CONTRACT, OR LEASE UNDER SECTION 365 OF THE BANKRUPTCY CODE; (E) AN IMPLICATION, ADMISSION OR FINDING THAT ANY PARTICULAR CLAIM IS AN ADMINISTRATIVE EXPENSE CLAIM, OTHER PRIORITY CLAIM, OR OTHERWISE OF A TYPE SPECIFIED OR DEFINED IN THIS MOTION OR ANY ORDER GRANTING THE RELIEF REQUESTED BY THIS MOTION; (F) AN IMPLICATION, ADMISSION, OR FINDING AS TO (I) THE VALIDITY, PRIORITY, ENFORCEABILITY, OR PERFECTION OF ANY LIEN ON, SECURITY INTEREST IN, OR OTHER ENCUMBRANCE ON THE PROPERTY OF ANY DEBTOR OR ITS ESTATE OR (II) A WAIVER OR LIMITATION ON ANY PARTY’S ABILITY TO CHALLENGE, RECHARACTERIZE AS EQUITY, VOID, CLAW BACK, OR SEEK OTHER RELIEF WITH RESPECT TO ANY PARTICULAR PAYMENTS AUTHORIZED HEREUNDER; (G) AN IMPAIRMENT OR WAIVER OF ANY CLAIMS OR CAUSES OF ACTION WHICH MAY EXIST AGAINST ANY ENTITY; OR (H) A WAIVER OF ANY DEBTOR’S OR ANY OTHER PARTY IN INTEREST’S RIGHTS UNDER THE BANKRUPTCY CODE OR ANY OTHER APPLICABLE LAW.

Dated: _____, 2024

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Filer's Attestation: Pursuant to Local Rule 1001-2(g)(3) regarding signatures, Paul Steven Singerman attests that concurrence in the filing of this paper has been obtained.

[Counsel for Debtors and Debtors-in-Possession]

Exhibit 3

Withdrawal of Claim Form

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmb.uscourts.gov**

| | |
|---|--|
| IN RE: | Chapter 11 Cases |
| RED LOBSTER MANAGEMENT LLC, ⁶ | Case No. 6:24-bk-02486-GER Lead Case |
| | Jointly Administered with |
| RED LOBSTER RESTAURANTS LLC, RLSV, INC., RED LOBSTER CANADA, INC., RED LOBSTER HOSPITALITY LLC, RL KANSAS LLC, RED LOBSTER SOURCING LLC, RED LOBSTER SUPPLY LLC, RL COLUMBIA LLC, RL OF FREDERICK, INC., RED LOBSTER OF TEXAS, INC., RL MARYLAND, INC., RED LOBSTER OF BEL AIR, INC., RL SALISBURY, LLC, RED LOBSTER INTERNATIONAL HOLDINGS LLC, | Case No. 6:24-bk-02487-GER Case No. 6:24-bk-02488-GER Case No. 6:24-bk-02489-GER Case No. 6:24-bk-02490-GER Case No. 6:24-bk-02491-GER Case No. 6:24-bk-02492-GER Case No. 6:24-bk-02493-GER Case No. 6:24-bk-02494-GER Case No. 6:24-bk-02495-GER Case No. 6:24-bk-02496-GER Case No. 6:24-bk-02497-GER Case No. 6:24-bk-02498-GER Case No. 6:24-bk-02499-GER Case No. 6:24-bk-02500-GER |

Debtors.

_____ /

WITHDRAWAL OF CLAIM FORM

Claimant, _____ [Claimant Name(s)], hereby withdraws with prejudice its Claim No. _____ [Claim Number(s)] filed in Case No. _____ [Case Number(s)].

⁶ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

Signed: _____
Print Name: _____
Title: _____

Claimant Name: _____
Address: _____
Address: _____
City, State, Zip Code: _____
Phone: _____
Email: _____

**Please submit this completed and signed form by email to
RedLobsterInfo@epiqglobal.com or by mail:**

- **Through U.S. First Class Mail sent to:**

Red Lobster Management LLC
Claims Processing Center
c/o Epiq Corporate Restructuring, LLC
P.O. Box 4421
Beaverton, OR 97076-4421

- **Or through other hand delivery system or overnight mail sent to:**

Red Lobster Management LLC
Claims Processing Center
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Blvd.
Beaverton, OR 97005

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF RED LOBSTER MANAGEMENT LLC, RED LOBSTER HOSPITALITY LLC and RED LOBSTER CANADA, INC.
APPLICATION OF RED LOBSTER MANAGEMENT LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

Court File No. CV-24-00720567-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**Proceeding commenced at
Toronto**

**SECOND REPORT OF THE INFORMATION
OFFICER DATED SEPTEMBER 9, 2024**

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