

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

LEISURE INVESTMENTS HOLDINGS
LLC, et al.,

Debtors.

Chapter 11

Case No. 25-10606 (LSS)

(Jointly Administered)

Docket Ref. No. 73

**ORDER (I) ENFORCING (A) THE AUTOMATIC STAY AND (B) THE COURT'S
ORDER COMPELLING DEBTORS' FORMER OFFICERS AND OTHER REQUIRED
PERSONS TO TURN OVER RECORDS, AND (II) GRANTING RELATED RELIEF**

WHEREAS, the above captioned debtors and debtors in possession (collectively, the “Debtors”) filed a motion (the “**Motion**”)¹ for entry of an order (this “**Order**”) (i) enforcing the protections of the Automatic Stay, (ii) compelling turnover of the Records and ordering access to the Property, and (iii) granting related relief, all as more fully described in the Motion; and the Court has jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and the Court has authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court has venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief is a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and sufficient notice of

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in *Debtors' Motion for Entry of an Order (I) Enforcing (A) the Automatic Stay and (B) the Court's Order Compelling Debtors' Former Officers and Other Required Persons to Turn Over Records, and (II) Granting Related Relief* [Docket No. 73].



the Motion has been given under the circumstances, and it appears that no other or further notice need be provided.

WHEREAS, the Court reviewed and considered the Motion and the Wagstaff Declaration; the verified responses [D.E. 87, 88] and the supplemental response [D.E. 155] filed by Eduardo Albor, the Debtors' omnibus reply [D.E. 158], the DIP Lenders and Prepetition First Lien Noteholders joinder and reply [D.E. 157], the joinder of the Official Committee of Unsecured Creditors [D.E. 195] and all other papers filed in connection with the Motion, responses and replies.

WHEREAS, the Court held an initial hearing on April 29, 2025, an evidentiary hearing on May 21, 2025 and heard legal argument on June 2, 2025. The factual witnesses were Mr. Strom, Mr. Wagstaff and Mr. Albor. The Court also heard from two expert witnesses on Mexican law and admitted exhibits tendered by both Debtors and Mr. Albor. The Court has considered all of the relevant evidence admitted at the hearing and has judged the credibility of the witnesses.

For the reasons stated on the record at the June 2, 2025 hearing,²

IT IS HEREBY ORDERED AND/OR FOUND AND CONCLUDED THAT:

1. Pursuant to the Court's authority under 11 U.S.C. § 105(a) and its inherent contempt power, the Motion is **GRANTED**, to the extent set forth herein, without prejudice to the other relief sought in the Motion.

² As the Court has expressed on numerous occasions, the welfare of the animals in Debtors' care is paramount. This order, therefore, must issue promptly to ensure that lack of communication such as is evident from the record and/or the disputes between the parties does not further endanger or contribute to any loss of life or untended-to medical conditions. The Court may supplement its findings and/or reasons for entry of the Order, as appropriate.

2. The Court finds and/or concludes that Mr. Albor violated the Automatic Stay imposed by Section 362(a)(3) of the Bankruptcy Code and the Turnover Order, which violations include:

- a. commencing or continuing actions or proceedings in the United Mexican States by or through which Mr. Albor seeks to exercise corporate governance rights of any Debtor or subsidiary of a Debtor (collectively, the **"MX Control Litigation"**);
- b. blocking access by the Independent Director, the CRO, and persons they designate (such persons, together with the Independent Director and CRO, collectively, **"Authorized Debtor Designees"**) to any Debtors' banking and other financial accounts (such accounts, collectively, the **"MX Bank Accounts"**) at banking and other financial institutions located in the United Mexican States (such institutions, collectively, the **"MX Banks"**);
- c. blocking access by the Authorized Debtor Designees to Debtors' Records held in the building identified as the Dolphin Group Headquarters;
- d. instructing employees of the Debtors or their subsidiaries not to cooperate with or take direction from the Authorized Debtor Designees;
- e. instructing vendors, suppliers, and other business partners or stakeholders of the Mexican Debtors or their subsidiaries not to communicate or do business with the Authorized Debtor Designees;
- f. blocking the Authorized Debtor Designees' usernames, passcodes, passwords, and other credentials for computers, cloud-based or remotely-located services, devices, electronic locks, phones, servers (including e-mail servers), and other electronic

or information technology, containing, in whole or in part, Records or other data or electronically stored information of or relating to the Debtors; and

g. holding himself out as a current director, officer, or employee of the Debtors or their subsidiaries

(collectively, the “**Identified Stay Violations**”).

3. The Court concludes that Mr. Albor, in his capacity as former CEO has no authority to act on behalf of Debtors with respect to their business operations. As such, Mr. Albor shall not interfere with the Authorized Debtor Designees’ operation of the business of Debtors, including with respect to communications with Debtors’ employees and communications with Debtors’ vendors, suppliers and other business partners. Further, Mr. Albor shall not prevent the Authorized Debtor Designees from obtaining from Debtors’ employees access to usernames, passwords, and all required credentials for, and all other data or information required or useful to obtain access to Debtors’ computers, cloud-based or remotely-located services, phones, servers (including e-mail servers), and any and all other electronic or information technology, whether or not located in the Headquarters, that contain, in whole or in part, Debtors’ Records.

4. Mr. Albor shall also:

a. cease prosecution of the MX Control Litigation on behalf of any Debtor, including Controlodora Dolphin and on behalf of himself personally unless and until this Court lifts the automatic stay upon motion and order;

b. countersign written communications to the MX Banks that Debtors may reasonably require to transfer control of the MX Bank Accounts to the Authorized Debtor

Designees, and sign such other documents that the MX Banks may reasonably require to effectuate such transfer;

c. permit the Authorized Debtor Designees, during business days and hours (Monday through Friday from 9:00 to 18:00 local time), supervised access to the Debtors' Records held in the Headquarters and providing the Authorized Debtor Designees with (i) keys, fobs, and all other tangible items required for such access to Debtors' Records, but not the Headquarters building, (ii) usernames, passcodes, passwords, and all other credentials and information required for such access to Debtors' Records, but not the Headquarters building, and (iii) informing relevant police and other governmental authorities that such access is permitted; provided that the Authorized Debtor Designees: (x) will be accompanied at all times by Mr. Albor's authorized representative(s); and (y) will not access, or attempt to access, process or disclose any information, records or systems not directly related to the Debtors—including any and all personal and non-debtor records for Mr. Albor, his family members or his personal and non-debtor assets. Notwithstanding the foregoing, if Mexican law permits greater access to the Headquarters building than ordered in the previous sentence, then any Authorized Debtor Designee may seek that relief from the appropriate Mexican court or authorities.

d. provide the Authorized Debtor Designees usernames, passcodes, passwords, and all other credentials for, and all other data or information required or useful to obtain access to, computers, cloud-based or remotely-located services, devices, electronic locks, phones, servers (including e-mail servers), and any and all other electronic or information technology, whether or not located in the Headquarters, that

contain, in whole or in part, Records or other data or electronically stored information of or relating to the Debtors.

e. not interfere with or contradict any emails or communications sent to Debtors' employees by any Authorized Debtor Designee, including emails or communications informing such employees that they are to cooperate with and take direction from any Authorized Debtor Designees and such other persons as the CRO may designate and that Mr. Albor is no longer an officer, director, or employee of the Debtors; and

f. not interfere with or contradict any emails or communications sent to the Debtors' vendors, suppliers, and other business partners or stakeholders informing such parties that they are to deal with the Authorized Debtor Designees on behalf of the Debtors and that Mr. Albor is no longer an officer, director, or employee of the Debtors.

(collectively, the "**Corrective Measures**").

5. The Authorized Debtor Designees shall present a valid government issued photo identification to access the Headquarters or any property owned by Mr. Albor personally.

6. Responsibility for any damage caused by the Authorized Debtor Designees to the Headquarters, or any property owned by Mr. Albor accessed by the Authorized Debtor Designees shall be determined under applicable law.

7. Upon performance with the Corrective Measures, Mr. Albor shall file with the Court a declaration under 28 U.S.C. § 1746 of performance with the Corrective Measures, including, as an exhibit to such filing, any corresponding documents evidencing such performance (the "**Corrective Certification**"). If the CRO believes Mr. Albor has not so

performed or has renewed any of the Identified Stay Violations, the CRO may seek a further hearing on the Motion.

Damages

8. The Identified Stay Violations were willful. Mr. Albor also violated the Turnover Order. Therefore, Mr. Albor is declared to be in contempt of court.

9. Pursuant to 11 U.S.C. § 362(k), the Court will set a hearing to determine actual damages, if any.

10. For the avoidance of doubt, absent relief from the Automatic Stay, it shall constitute a willful violation of the Automatic Stay for Mr. Albor and all entities and individuals acting for or on his behalf to:

a. take any steps to spend, transfer, exchange, convert, dissipate, liquidate, or otherwise move, modify, or exercise any type of control over or interference with the Debtors' assets or operations (including governance rights to any subsidiary of any Debtor), wherever located, or the Debtors' rights in their assets or operations (including corporate governance rights over any subsidiary of any Debtor), wherever located;

b. destroy any of Debtors' Records, or Records related to Debtors (whether or not in the personal possession of Mr. Albor or any entity or individual acting for or on his behalf) or prevent or otherwise interfere with access to the Debtors' Records, or Records related to Debtors by the Authorized Debtor Designees;

c. prevent or otherwise interfere with the employees of the Debtors and any of the Debtors' subsidiaries from communicating with, or otherwise impeding employee communications with, the Authorized Debtor Designees;

d. open any bank accounts under Debtors' names or in the names of any of Debtors' subsidiaries; or

e. represent to any entities or individuals that he is an officer, director, or employee of any of the Debtors or their subsidiaries, or take any action, have any communication, or otherwise participate in any business activity on behalf of any of the Debtors unless such action, communication, or activity is expressly requested by the CRO.


11. To ensure that there are no further violations of the automatic stay or the Turnover Order, the Court provides notice that sanctions in the amount of US \$10,0000 per day may be awarded in appropriate circumstances.

12. Debtors are authorized to take all actions necessary to implement the relief granted in this Order and the terms and conditions of this Order will be effective immediately and enforceable upon its entry.

13. Notwithstanding any applicable provisions of the Bankruptcy Code or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. The Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: June 5, 2025


Laurie Selber Silverstein
United States Bankruptcy Judge