

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	Case No. 25-10606 (LSS)
Leisure Investments Holdings LLC, <i>et al.</i> , <sup>1</sup>	)	(Jointly Administered)
	)	
Debtors	)	<b>Related Docket No. 299</b>

**OBJECTION OF TRADEWINDS, LTD TO DEBTORS'  
MOTION FOR (I) AN ORDER ESTABLISHING BIDDING PROCEDURES  
AND GRANTING RELATED RELIEF AND (II) AN ORDER  
OR ORDERS APPROVING THE SALE OF THE ASSETS**

Tradewinds, LTD (“Tradewinds”), by and through undersigned counsel, objects to *Debtors’ Motion for (i) an Order Establishing Bidding Procedures and Granting Related Relief and (ii) an Order or Orders Approving the Sale of the Assets* [D.I. 299] (the “Sale Motion”). In support of this Objection, Tradewinds respectfully represents as follows:

**Background**

**A. The Arbitration Award and Judgment**

1. Tradewinds obtained a judgment (the “Judgment”) against Grupo Dolphin Discovery (“Grupo Dolphin”) and debtor Controladora S.A. de C.V., a Mexican Corporation (“Controladora”) in the amount of \$3,678,419.13 plus post judgment interest at the legal rate of 1.16% compounded annually pursuant to 28 U.S. Code § 1961.

2. The Judgment arises from an arbitration award stemming from Grupo Dolphin and Controladora’s breach of a finder’s agreement. Specifically, the arbitration ensued after the Debtors refused to pay Tradewinds the contractual fee it earned by finding lenders to extend a

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<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors’ noticing and claims agent at <https://veritaglobal.net/dolphinco>, or by contacting counsel for the Debtors. For the purposes of these chapter 11 cases, the address for the Debtors is Leisure Investments Holdings LLC, c/o Riveron Management Services, LLC, 600 Brickell Avenue, Suite 2550, Miami, FL 33131.



\$115 Million loan to Debtors for, *inter alia*, the acquisition of marine-themed amusement parks. The Arbitration Panel agreed with Tradewinds and entered an award in favor of Tradewinds and against Debtors. The United States District Court for the Central District of California (the “California District Court”) entered the Judgment in favor of Tradewinds and against Grupo Dolphin and Controladora on the arbitration award on June 7, 2017. Tradewinds domesticated the Judgment in the United States District Court for the Southern District of Florida, which provided Tradewinds with a Judgment Lien on Controladora’s assets located in Florida. The amount due on the Judgment as of the date hereof exceeds \$4 Million.

3. Controladora owns, among other things, four marine parks located in the United States, which are all located in Florida. These Florida marine parks include the Miami Seaquarium, Marineland in St. Augustine, Dolphin Connection in the Florida Keys and Gulf World in Panama City (collectively “Florida Dolphin Parks”). Specifically, Controladora owns 100% of Dolphin Leisure, Inc., a Florida Corporation (“Dolphin Leisure”) which in turn 100% owns:

a. Marineland Leisure, Inc., a Florida Corporation that directly owns and operates the Marineland Park;

b. GWWP, LLC and Gulf World Marine Park, Inc., Florida entities that directly own and operate the Gulf World Park or hold adjacent land; and,

c. The Dolphin Connection, Inc., a Florida Corporation that directly owns and operates the Dolphin Connection Park (collectively with the Marineland Park and Gulf World Park, the “Dolphin Park Assets”).

4. Controladora also owns additional property located in Florida. Tradewinds asserts a lien on all additional property owned by Controladora located in Florida (the “Additional Assets”

and, together with the Dolphin Park Assets, the “Controladora Assets”), including stock certificates and trademarks.

5. In or about November 2015, Controladora pledged 100% of its Dolphin Leisure’s stock certificates to predecessor secured lenders pursuant to an initial Note Financing Agreement (“2015 NPA”). It is this transaction that gave rise to Tradewinds’ claims against Controladora, and this transaction which was later found to underly the Arbitration Award.

6. On October 11, 2016, the California District Court entered the Arbitration Award against Controladora and Grupo Dolphin Discovery (a non-existent entity that was the signatory to the agreement with Tradewinds). The Arbitration Award was confirmed, and the Judgment was entered in the United States District Court for the Central District of California on June 7, 2017. Tradewinds domesticated the Judgment in the United States District Court for the Southern District of Florida on August 14, 2017.<sup>2</sup>

7. In 2019, Controladora financed a second Note Purchase Agreement (“2019 NPA”) with new lenders, Prudential Insurance Company of America, Prudential Legacy Insurance Company of New Jersey, and Cigna Health and Life Insurance Company. These lenders are secured creditors in this bankruptcy who claim priority over Tradewinds.

8. Tradewinds recorded its judgment in Florida on August 25, 2021. Thereafter, on June 27, 2022, Controladora and the Secured Lenders entered into a new note purchase agreement (“2022 NPA”). Once again, the 2022 NPA is allegedly a refinance of the 2015 NPA; however, the complete change in ownership of Controladora, and the changes in security, guarantors, and terms illustrate that the actual borrowers and obligors were new parties, and as such the 2022 NPA is not a refinance but a new financing agreement.

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<sup>2</sup> The Judgment was recently amended on April 4, 2024. The Amended Judgment was registered in the Southern District of Florida on May 9, 2024

9. Tradewinds asserts a first priority lien on the Debtors' property located in Florida as a result of the domestication of the Judgment. The Debtors, the Prepetition First Lien Secured Parties (the "First Lien Noteholders" and the Prepetition Second Lien Secured Parties (the "Second Lien Noteholders", and, together with the First Lien Noteholders, the "Noteholders") dispute that Tradewinds has a first-priority lien on any of the Debtors' assets. On June 18, 2025, Tradewinds filed its *Complaint and Request for Declaratory Judgment to Determine Validity, Priority and Extent of Liens on Debtors' Property* [D.I. 1 in Adv. Pro. No. 25-50124] (the "Adversary Complaint").

#### B. The Bankruptcy Proceedings

10. On March 31, 2025, certain of the Debtors filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code. On April 16, 2025 and, on May 4, 2025, Controladora and Embassy of the Seas Limited, respectively, also filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code.

11. The Debtors filed the Sale Motion on July 2, 2025. The Sale Motion provides, among other things, (i) that secured creditors may credit bid their secured claims (the "Credit Bidding Right") and (ii) requires a prospective purchaser's bid to allocate the purchase price to each asset subject to the bid (the "Allocation Requirement. Tradewinds objects to credit bidding and the Credit Bidding Right and the Allocation Requirement.

### **Objection**

#### A. Objection to Credit Bidding

12. Bankruptcy Code section 363(k) provides as follows:

At a sale under subsection (b) of this section of property that is subject to a lien that secures an allowed claim, unless the court for cause orders otherwise the holder of such claim may bid at such sale, and, if the holder of such claim purchases such

property, such holder may offset such claim against the purchase price of such property.

11 U.S.C. § 363(k).

13. While Section 363(k) of the Bankruptcy Code permits a secured creditor to credit bid its claim, the right to credit bid is not absolute. Rather, a court, for cause, may prohibit credit bidding. *Id.*

14. Cause sufficient to deny or condition a secured creditor's ability to credit bid under Section 363(k) is determined on a case-by-case basis. *See, e.g. In re Merit Group, Inc.*, 464 B.R. 240, 252 (Bankr. D.S.C. 2011). Courts have generally found cause to deny the opportunity to credit bid when a sufficient dispute exists regarding the validity of the lien forming the basis for the credit bid. *See, e.g. In re L.L. Murphrey Company*, 2013 WL 2451368 at \*5 (Bankr. E.D.N.C. June 6, 2013) (holding that secured creditor could not bid its secured claim because it was subject to a bona fide dispute); *Fisker Automotive Holdings, Inc.*, 510 B.R. 55, 61 (Bankr. D. Del. 2014) (holding that secured creditor could not credit bid its entire asserted secured claim because the amount of the secured claim was uncertain); *In re Daufuskie Island Properties, LLC*, 441 B.R. 60, 63 - 64 (2010) (holding that secured creditor was not permitted to credit because among other things, its secured claim was disputed). “The law leaves no doubt that the holder of a lien the validity of which has not been determined ... may not bid its lien.” *Fisker* 510 B.R. at 61.

15. As set forth fully in the Adversary Complaint, Tradewinds asserts that its judgment lien is senior in priority to the liens of the Noteholders. The Noteholders dispute this assertion. As a result, there is a bona fide dispute regarding the priority of the liens on the Controladora Assets. Accordingly, the Noteholders should not be permitted to credit bid on the Controladora Assets.

16. If the Court does permit the Noteholders to credit bid on the Controladora Assets, that permission should be conditioned on the Noteholders payment of Tradewind’s senior liens.

*See Daufuskie Island Properties*, 441 B.R. at 64 (finding that junior priority credit bidder must satisfy the liens of parties holding senior liens). At a minimum, the Court should require the Noteholders to post a bond or establish an escrow sufficient to satisfy Tradewinds' judgment lien for payment to Tradewinds if the Court rules that Tradewind's judgment lien is senior in priority to the Noteholders' liens.

**B. Allocation of Purchase Price**

17. The sale procedures require a prospective purchaser's bid to allocate the purchase price to each asset subject to the bid. While Tradewinds does not object to this allocation requirement *per se*, Tradewinds is concerned that a party may allocate an insufficient amount to the Controladora Assets in order to devalue Tradewinds' secured claim. Accordingly, Tradewinds requests that any order approving the Sale Motion provide that a purchaser's allocation may be disputed for purposes of distribution.

**Conclusion**

WHEREFORE, Tradewinds requests that this Honorable Court enter an order consistent with this objection and provide to Tradewinds such other and further relief as is just and proper.

Date: July 16, 2025  
Wilmington, DE

**SULLIVAN · HAZELTINE · ALLINSON LLC**

/s/ William A. Hazeltine

William A. Hazeltine (No. 3294)  
919 North Market Street, Suite 420  
Wilmington, DE 19801  
Tel: (302) 428-8191  
Email: [whazeltine@sha-llc.com](mailto:whazeltine@sha-llc.com)

-and-

FINECOUNSEL  
J. Andrew Fine  
115 E. Main Street, Suite A  
Durham, North Carolina 27707  
Tel: 919.307.6311  
Email: [jaf@finecounsel.law](mailto:jaf@finecounsel.law)

*Attorneys for Tradewinds, LTD*

**CERTIFICATE OF SERVICE**

I, William A. Hazeltine, hereby certify that on the 15<sup>th</sup> day of July 2025, a copy of the foregoing *Objection of Tradewinds, LTD to Debtors' Motion for (I) an Order Establishing Bidding Procedures and Granting Related Relief and (II) an Order or Orders Approving the Sale of the Assets* was electronically filed and served via CM/ECF on all registered users of that system in accordance with Del. Bankr. L.R. 9036-1(b), and a courtesy copy was served via Electronic Mail on the parties listed below.

*Counsel to the Debtors and Debtors in Possession:*

Robert S. Brady, Esq.  
Sean T. Greecher, Esq.  
Allison S. Mielke, Esq.  
Jared W. Kochenash, Esq.  
YOUNG CONAWAY STARGATT &  
TAYLOR, LLP  
Rodney Square  
1000 North King Street  
Wilmington, DE 19801  
[rbrady@ycst.com](mailto:rbrady@ycst.com)  
[sgreecher@ycst.com](mailto:sgreecher@ycst.com)  
[amielke@ycst.com](mailto:amielke@ycst.com)  
[jkochenash@ycst.com](mailto:jkochenash@ycst.com)

*U.S. Trustee:*

Benjamin A. Hackman  
Office of the United States Trustee  
J. Caleb Boggs Federal Building  
844 King St., Ste 2207, Lockbox 35  
Wilmington, DE 19801  
[benjamin.a.hackman@usdoj.gov](mailto:benjamin.a.hackman@usdoj.gov)

*Counsel to the Committee of Unsecured Creditors:*

Thomas J. Francella, Jr., Esq.  
RAINES FELDMAN LITTRELL LLP  
824 North Market Street, Suite 805  
Wilmington, DE 19801  
[tfrancella@raineslaw.com](mailto:tfrancella@raineslaw.com)

Christian Savio, Esq.  
LAW OFFICES OF MANGANELLI,  
LEIDER & SAVIO, P.A  
1900 N.W. Corporate Blvd., Ste. 200W  
Boca Raton, FL 33431  
[csavio@mls-pa.com](mailto:csavio@mls-pa.com)

July 16, 2025  
Date

/s/ William A. Hazeltine  
William A. Hazeltine