

**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 HORNBLOWER CRUISES AND EVENTS CANADA LTD.,
HORNBLOWER CANADA ENTERTAINMENT LIMITED, HORNBLOWER CANADA CO.,
HORNBLOWER CANADIAN HOLDINGS, INC. AND
HORNBLOWER CRUISES AND EVENTS, INC.**

**APPLICATION OF HORNBLOWER GROUP, INC., UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**PRE-FILING REPORT OF GRANT THORNTON LIMITED
AS PROPOSED INFORMATION OFFICER**

FEBRUARY 26, 2024



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4**

TABLE OF CONTENTS

Introduction	1
Terms of Reference and Disclaimer.....	4
GTL's Qualifications to act as Information Officer	6
Background	7
Company Overview	7
Centre of Main Interest	8
The Canadian Debtors	10
Hornblower Cruises and Events Canada Limited	10
Hornblower Canada Co.....	12
Hornblower Canada Entertainment Limited	13
Creditor Composition.....	14
First Day Orders	15
DIP Facility	16
The DIP Charge.....	17
The Administration Charge	18
The D&O Charge.....	19
Recommendations.....	20

APPENDICES

- Appendix 1** List of Chapter 11 Debtors
- Appendix 2** Organizational Chart
- Appendix 3** Interim Stay Order and Endorsement dated February 21, 2024

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Introduction

1. For purposes of this report, Hornblower Cruises and Events Canada Ltd. ("**Hornblower Cruises**"), Hornblower Canada Co. ("**Hornblower Canada**"), and Hornblower Canada Entertainment Limited ("**Hornblower Entertainment**"), are collectively referred to as the "**Canadian Debtors**", Hornblower Group, Inc. ("**Hornblower Group**") is referred to as the "**Foreign Representative**", Hornblower Canadian Holdings, Inc. and Hornblower Cruises and Events, Inc. are collectively referred to as the "**US Debtors**".
2. On February 21, 2024 (the "**Petition Date**"), Hornblower Holdings LLC and certain of its

affiliates¹ (collectively, the “**Chapter 11 Debtors**”) filed voluntary petitions for relief (the “**US Proceedings**”) under Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. in the United States Bankruptcy Court for the Southern District of Texas (the “**US Court**”). The Chapter 11 Debtors, together with their non-Debtor affiliates, are hereinafter referred to as the “**Company**”. An organizational chart of the Company is attached hereto as **Appendix “2”**.

3. According to the filing materials in the US Proceedings, the purpose of the US Proceedings is to stabilize the Chapter 11 Debtors’ business operations, preserve value, and effect an orderly restructuring to ensure the long-term viability of the Chapter 11 Debtors, including the Canadian Debtors. Each of the Canadian Debtors are also Chapter 11 Debtors in the US Proceedings.
4. Concurrently with the US Proceedings, the Foreign Representative made an application to the Ontario Superior Court of Justice (Commercial List) (the “**Ontario Court**”) for an order (the “**Interim Stay Order**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and Section 106 of the *Courts of Justice Act* (Ontario), providing for an interim stay of proceedings in respect of the Canadian Debtors, the US Debtors and Hornblower Group in Canada, and their respective directors and officers in Canada. The Interim Stay Order dated February 21, 2024 was issued on that same day and is attached hereto as **Appendix “3”**, along with the Endorsement of Chief Justice Morawetz.
5. The proceedings commenced by the Foreign Representative under the CCAA are referred to herein as the “**CCAA Recognition Proceedings**” and are necessary to protect and preserve the value of the entire enterprise of the Company, as the Company’s Canadian

¹ Due to the large number of debtor entities in the proceedings under Chapter 11 of Title 11 of the *United States Code* in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, a complete list of the debtor entities is provided in Appendix 1 attached hereto.

operations are key revenue generators for the Company and an essential part of any reorganized business. The US Proceedings and the CCAA Recognition Proceedings, shall be referenced herein as the “**Restructuring Proceedings**”.

6. Following the February 21, 2024 hearing in respect of the first day motions filed by the Chapter 11 Debtors, the U.S. Bankruptcy Court granted certain orders dated February 21, 2024 and February 23, 2024 (the “**First Day Orders**”) including, but not limited to, the Foreign Representative Order authorizing Hornblower Group to act as the Foreign Representative of the Chapter 11 Debtors and certain additional interim orders, including a US DIP Order (collectively with the First Day Orders, the “**US Orders**”).²
7. The purpose of this Pre-Filing Report of the Proposed Information Officer (the “**Pre-Filing Report**”) is to provide the Ontario Court with background information with respect to the Chapter 11 Debtors and the Restructuring Proceedings, and to assist the Ontario Court in considering the Foreign Representative’s request for:
 - a. an order (the “**Initial Recognition Order**”), among other things:
 - i. declaring that the Hornblower Group is a Foreign Representative as defined in section 45 of the CCAA in respect of the US Proceedings; and
 - ii. recognizing the US Proceedings as a “foreign main proceeding” in respect of the Canadian Debtors; and,
 - b. an order (the “**Supplemental Order**”), among other things:
 - i. recognizing certain of the interim and final orders issued by the US Court

² Copies of the each of the US Orders and other documents related to the US Proceedings are available at the website maintained by Omni Agent Solutions Inc.

in the US Proceedings, including, among others, an order approving the US DIP Order;

- ii. granting a stay of proceedings in respect of the Canadian Debtors, US Debtors and Hornblower Group, and their respective directors and officers in Canada;
- iii. appointing Grant Thornton Limited (“**GTL**”) as information officer in respect of these proceedings (in such capacity, the “**Information Officer**”);
- iv. granting a Court-ordered charge over the assets and property of the Canadian Debtors in Canada in favour of Canadian counsel to the Canadian Debtors, the Information Officer and counsel to the Information Officer (collectively, the “**Canadian Professionals**”) (the “**Administration Charge**”);
- v. granting a Court-ordered charge over the assets and property of the Canadian Debtors in Canada to secure the indemnity obligations of the Canadian Debtors to their directors and officers in respect of the obligations and liabilities that such directors and officers may incur during these CCAA Recognition Proceedings in their capacities as directors and officers (the “**D&O Charge**”); and
- vi. granting Court-ordered charges over the assets and property of the Canadian Debtors and the US Debtors in Canada to secure the DIP Facilities (defined below) (the “**DIP Charges**”).

Terms of Reference and Disclaimer

8. In preparing this Pre-Filing Report, GTL has relied solely on information and documents

provided by the Foreign Representative and other Chapter 11 Debtors, as well as their Canadian legal counsel and publicly available documents filed with the US Court (collectively the “**Information**”). Except as otherwise described in this Pre-Filing Report:

- a. the Proposed Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants of Canada Handbook* and accordingly, the Proposed Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and,
 - b. some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.
9. Future-oriented financial information referred to in this Pre-Filing Report was prepared based on estimates and assumptions made by Company management. Readers are cautioned that, since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, and the variations could be significant.
10. This Pre-Filing Report should be read in conjunction with the affidavits of Jonathan Hickman sworn on February 21 and 26, 2024 (the “**February 21 Affidavit**”, the “**February 26 Affidavit**” and together, the “**Hickman Affidavits**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Hickman Affidavits.

11. If appointed, a copy of this Pre-Filing Report, and other relevant documents with respect to these proceedings, will be made available on the Proposed Information Officer's website at: www.GrantThornton.ca/Hornblower.

12. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

GTL's Qualifications to act as Information Officer

13. GTL is qualified to act as Information Officer. GTL's qualifications include:

- a. GTL is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). GTL is not subject to any of the restrictions to act as set out in Section 11.7(2) of the CCAA; and,
- b. GTL has acted as information officer in several previous proceedings, as well as numerous other Court-appointed capacities under various insolvency, regulatory and corporate legislation.

14. GTL has not previously been involved with the Chapter 11 Debtors and was engaged recently to act as the Proposed Information Officer. In that short time, GTL has gathered the information reflected in this Pre-Filing Report and understands from representatives of the Chapter 11 Debtors that such information is the most current and relevant information as of the date hereof for purposes of this Pre-Filing Report.

15. GTL has consented to act as Information Officer in these CCAA Recognition Proceedings should the Ontario Court grant the Recognition Orders as specified in the Foreign Representative's application record dated February 21, 2024 (the "**February 21, 2024 Application Record**") in relation to the Company's request for the issuance of the Initial Recognition Order and the Supplemental Order. A copy of the consent is attached as Tab

4 in the February 21, 2024 Application Record. GTL's duties and obligations as Information Officer will be as set out in the Initial Recognition Order and any further orders of the Ontario Court and GTL would from that date forward be acting as an officer of the Ontario Court.

Background

Company Overview

16. Spanning a 100-year history, the Company, headquartered in San Francisco, California, is a global leader in tourism and transportation that serves more than 30 million guests across 111 countries annually.
17. The services provided by the Company comprise of the City Experiences (including City Cruises, City Ferry, and Walks), American Queen Voyages, and Journey Beyond business divisions/brands, and is a global leader in world-class experiences and transportation. Among other things, the Company offers overnight cruising, land and water-based experiences, ferry and transportation services, and an experiential travel group in Australia.
18. The circumstances behind the US Proceedings are detailed in the Hickman Affidavits, and based on the information therein as of the Petition Date the Proposed Information Officer understands that:
 - a. the Company experienced significant growth in the past, but during the COVID-19 pandemic, the Company, along with the rest of the industry, had its operations severely impacted by regulatory restrictions targeting the tourism and entertainment sector, which regulatory restrictions ultimately resulted in the complete shut-down of its fleet, precipitating a liquidity crisis;

- b. the Company then negotiated and engaged in a series of liquidity enhancing financing transactions with its largest lenders;
- c. the financing transactions noted above were critical to maintaining operations through the pandemic; however, they increased the Company's aggregated debt load from \$630 million in 2019 to \$1.2 billion in 2023, and its annual cash interest expense grew from \$38 million to \$115 million over that same period;
- d. the Company attempted to sell its Journey Beyond business but in September 2023, it became evident that the sale of this business was unlikely to solve the Company's long-term liquidity needs;
- e. beginning in October 2023, the Company, with the assistance of its advisors, commenced negotiations with an ad hoc group of lenders under the Chapter 11 Debtors' existing secured debt facilities to recapitalize and deleverage the Company's balance sheet and raise immediate incremental liquidity, initially of \$60 million which was later increased by \$110 million in December 2023; and,
- f. on December 14, 2023, the Company formally launched a marketing and sale process for the American Queen Voyages business (the "**AQV Sale Transaction**") which, as at the Petition Date, has not concluded.

19. As noted above, there are three Canadian domiciled entities involved in the US Proceedings. Collectively, the Canadian Debtors are a relatively small part of the broader integrated corporate group. For the year ended December 31, 2023, the Canadian Debtors represented approximately 7% of the Company's consolidated revenue.

Centre of Main Interest

20. As set out in the Hickman Affidavits, the Company, including the Canadian Debtors, are

managed in the US as an integrated group from a corporate, strategic, and management perspective. Specifically:

- a. senior leadership, which exercises primary strategic management and control of the corporate group, including the Canadian Debtors, is located in the Foreign Representative's offices;
- b. the Company's approximate \$1.2 billion in funded indebtedness (as summarized below) is advanced by US lenders and governed by US law;
- c. the Company's overall financial position is managed on a consolidated basis principally from the Foreign Representative's offices and the financial results of the entire corporate group are reported on a consolidated basis;
- d. the Canadian Debtors are integrated into the Company's system of intercompany loans and transactions, as well as the Company's centralized cash management system, which is ultimately allocated, governed, and disbursed by the Company in the US;
- e. payroll processing for employees of the Canadian Debtors is done through the Company's third-party payroll services provider, with assistance from the Canadian payroll team; and,
- f. the extent of Canadian day-to-day management decisions is limited to the operations of the Canadian Debtors, customer service, new business development, and finance.

21. Based on the foregoing, the Proposed Information Officer is of the view that it would be appropriate to recognize the US Proceedings as a "foreign main proceeding" pursuant to

the CCAA.

The Canadian Debtors

22. The Canadian Debtors primarily offer sightseeing tours in Niagara, Toronto, and 1000 Islands/Gananoque. The business of the Canadian Debtors is further summarized below:

Hornblower Cruises and Events Canada Limited

23. Hornblower Cruises is a corporation incorporated under the laws of Ontario with its registered offices located at 207 Queens Quay West, Suite 425, Toronto, Ontario.

24. Hornblower Cruises operates sightseeing cruises and event services, including dining, aboard passenger vessels in Gananoque and Toronto.

25. As at the Petition Date, Hornblower Cruises has approximately 47 employees, all of whom are employed on a full-time basis in Ontario. The Proposed Information Officer understands that Hornblower Cruises' workforce increases substantially in and around the summer months.

26. As at the Petition Date, the Proposed Information Officer has been advised that Hornblower Cruises owns the following real property and vessels:

- a. two properties and five parking lots located in Gananoque, Ontario (the "**Owned Properties**");
- b. six vessels located in Toronto:
 - i. The Captain Matthew Flinders;
 - ii. The Northern Spirit;
 - iii. The Odyssey Toronto;

- iv. The Oriole;
 - v. The Showboat; and,
 - vi. The Toronto Elite;
- c. five vessels located in Gananoque:
- i. The Thousand Islander;
 - ii. The Thousand Islander II;
 - iii. The Thousand Islander III;
 - iv. The Thousand Islander IV; and,
 - v. The Thousand Islander V.

27. In addition to the owned assets above, Hornblower Cruises leases three properties:

- a. a docking and maintenance facility in Ganonoque; and
- b. two portions of 207 Queens Quay West, Toronto, which has docking and loading facilities, as well as office space.

28. As of December 31, 2023, Hornblower Cruises has approximately \$1.0 million in cash and \$2.3 million in inventory. The Proposed Information Officer further notes that Hornblower Cruises has advances owing to various affiliated companies in the amount of approximately \$10.4 million.

29. Hornblower Cruises realized a net loss of approximately \$607,000 in 2022 and net income of approximately \$1.4 million in 2023.

Hornblower Canada Co.

30. Hornblower Canada is a corporation incorporated under the laws of Nova Scotia with its registered office located at 5775 River Road, Unit 110, Niagara Falls, Ontario.
31. Hornblower Canada operates sightseeing vessels and ferry transportation services on behalf of the Niagara Parks Commission in Niagara Falls and is the exclusive provider of cruise services on the Canadian side of Niagara Falls through 2043.
32. According to the Company, given the length and terms of the contract, Hornblower Canada sees steady demand and is a predictable source of long-term revenue, specifically accounting for approximately 78% of the Canadian Debtors' aggregate revenue for the year ended December 31, 2023.
33. As at the Petition Date, Hornblower Canada has approximately 64 employees, all of whom are employed full-time in Ontario. Approximately twelve employees are unionized subject to a collective bargaining agreement with the Canadian Merchant Service Guild. The Proposed Information Officer understands that the business is highly seasonal and that Hornblower Canada, on a temporary basis, approximately doubles its workforce in and around the summer months.
34. As at the Petition Date, the Proposed Information Officer has been advised that Hornblower Canada owns the following vessels:
- a. three registered vessels located in Niagara:
 - i. The Niagara Guardian;
 - ii. The Niagara Thunder; and
 - iii. The Niagara Wonder;

b. two additional watercraft for which registration is not required:

i. The Niagara Rescue (C24481ON); and

ii. The Niagara Rescue (C24482ON).

35. In addition to the foregoing vessels, Hornblower Canada leases three properties:

a. units 5 and 6, 4536 Portage Road, Niagara Falls, Ontario, which are warehouses used for storage of Hornblower Canada's equipment and inventory;

b. 5755, 5765, and 5775 River Road, Niagara Falls, Ontario, which house offices that support Hornblower Canada's operations; and,

c. 5920 River Road, Niagara Falls, Ontario, which is also used as an office.

36. As of December 31, 2023, Hornblower Canada has current assets with book value of approximately \$22.2 million, including approximately \$4.0 million in cash, \$900,000 in inventory, and advances receivable from various affiliated companies in the approximate amount of \$16.9 million.

37. Hornblower Canada incurred substantial net losses in 2020 and 2021, returned to profitability in 2022, and realized net income of approximately \$12.6 million in 2023.

Hornblower Canada Entertainment Limited

38. Hornblower Entertainment is a corporation incorporated federally under the laws of Canada with its registered head office located at 5775 River Road, Unit 110, Niagara Falls, Ontario.

39. Hornblower Entertainment is a dormant company with no operations and is in the process of being wound down. As at the petition date, Hornblower Entertainment does not have

any employees or assets.

Creditor Composition

40. The following table summarizes the Company's outstanding third-party funded-debt obligations as of the Petition Date, totaling almost \$1.2 billion (the "**Prepetition Secured Debt**" and, with relation to the underlying lending agreements, the "**Prepetition Secured Debt Agreements**"),

41. The Proposed Information Officer has been advised that the Canadian Debtors are not co-borrowers under the Prepetition Secured Debt; however, they indirectly benefit from the loans as subsidiaries of the borrowers, and, as described below, are guarantors of certain of the Prepetition Secured Debt and accordingly, have registered security over their assets.

Secured Debt

Funded Debt	Maturity	Approximate Outstanding Principal Amount as of the Petition Date
Incremental Superpriority Facility	February, 2024	\$148.5 million
Superpriority Facility	November, 2025	\$282.9 million
First Lien Term Facility	April, 2025	\$641.8 million
Revolver Term-Out Facility	April, 2024	\$53.7 million
Revolver Facility	April, 2024	\$26.4 million
Total		\$1.153 billion

42. The Canadian Debtors are guarantors of the Prepetition Secured Debt (except the Incremental Superpriority Facility) and have provided general security agreements over their assets, properties and undertaking in support of the obligations arising under the guarantees. The Canadian Debtors also secured the obligations of the loan parties under the loan documents for the Prepetition Secured Debt Agreements.

43. Both the Canadian Debtors and the US Debtors have provided collateral security in

support of the Incremental Superpriority Facility, pledging substantially all of their assets pursuant to the Canadian Collateral Agreement dated November 17, 2023, as amended December 28, 2023.

44. The Prepetition Secured Debt is described in detail in the Hickman Affidavits. As such, the Proposed Information Officer will not repeat the information herein.

45. In addition to the secured obligations, the Company has advised the Proposed Information Officer that Hornblower Canada has approximately 51 unsecured creditors that are owed approximately CAD \$160,000 and Hornblower Cruises has approximately 48 unsecured creditors that are owed approximately CAD \$20,000, as at February 16, 2024, excluding affiliates and intercompany transactions.

First Day Orders

46. The Foreign Representative is seeking recognition of the following First Day Orders by the Ontario Court:

- a. the Joint Administration Order;
- b. the Claims Agent Retention Order;
- c. the Customer Programs Order;
- d. the Interim Cash Management Order;
- e. the Interim Critical Vendors Order;
- f. the Foreign Representative Order;
- g. the Taxes Order;

- h. the Interim DIP Order;
- i. the Wages Order;
- j. the Utilities Order; and
- k. the Insurance Order

47. The February 26 Affidavit provides a summary of the relief sought in each of the above orders, and, as such, it has not been repeated herein.

DIP Facility

48. The Proposed Information Officer has been informed that in order to facilitate the Restructuring Proceedings, the Chapter 11 Debtors have sought approval from the US Court for certain debtor-in-possession financing facilities. The facilities (collectively, the “**DIP Facilities**”, the loans thereunder, the “**DIP Loans**”, and the lenders under the DIP Facilities, the “**DIP Lenders**”) are as follows:

- a. a senior facility in the aggregate principal amount of \$300 million, which will be used for the refinancing of all obligations under the Superpriority Credit Agreement and a further commitment to provide a new \$50 million senior secured first lien revolving credit facility to provide working capital for the Debtors upon emergence from bankruptcy (the “**Senior DIP Facility**”); and
- b. (i) a term loan facility and a delayed draw term loan facility, which provides for up to \$121 million for working capital and general corporate purposes; and (ii) a term loan facility, which will be used to refinance all obligations under the Incremental Superpriority Agreement (collectively, the “**Junior DIP Facility**”). The aggregate amount of the Junior DIP Facility is \$285 million.

49. The Chapter 11 Debtors, including the Canadian Debtors, have entered into collateral agreements in respect of each DIP Facility (the “**DIP Collateral Agreements**”) pursuant to which the Canadian Debtors and US Debtors have pledged substantial assets, including assets in Canada, as security for the loan parties’ obligations.
50. The DIP Facilities are made available on such terms and conditions set out in the applicable post-Petition credit agreements and related documents, which is summarized in the February 26 Affidavit. The DIP Facilities will also be secured by, among other things, the property and assets of the Canadian Debtors and, accordingly, the Supplemental Order is seeking DIP Charges for the Senior DIP Facility and the Junior DIP Facility.
51. Based on the Hickman Affidavits, the DIP Facilities would be used to support the Chapter 11 Debtors’ continued operations, provide confidence to interested parties that the Chapter 11 Debtors have sufficient capital to support post-petition obligations and implement the restructuring, as well as fulfill commitments to the Chapter 11 Debtors’ suppliers, employees, and customers. Moreover, access to the DIP Facilities is necessary to avoid a value-destructive liquidation.
52. The US Court was satisfied that the DIP Financing Order was necessary for the orderly continuation of operations of the Chapter 11 Debtors, that the costs and fees of the DIP Facilities are market for similar levels of financing in similar circumstances, and that the fees paid and to be paid thereunder are fair and reasonable, and the best available to the Chapter 11 Debtors under the circumstances.

The DIP Charge

53. The Foreign Representative is seeking DIP Charges to secure the Senior DIP Facility and the Junior DIP Facility.

54. The purpose of the DIP Charges is to secure the Senior and Junior DIP Facilities against certain of the property and assets of the Canadian Debtors and U.S. Debtors situated in Canada, which the Proposed Information Officer understands is a necessary requirement for the DIP Lenders.
55. The proposed DIP Charges will have the priorities set out in the draft Supplemental Order.
56. The Proposed Information Officer understands that the Company has exhausted all other avenues of funding and absent the DIP Financing, the Debtors would be unable to pursue the planned restructuring initiatives and would have limited recourse other than pursuing a liquidation, which would not be in the interests of the unsecured Canadian creditors. Moreover, given the Canadian Debtors have previously guaranteed the outstanding secured debt, and that security has been extended over the property and assets of the Canadian Debtors, the DIP Financing and accompanying DIP Charges will not adversely impact the Canadian creditors. As such, the Proposed Information Officer is of the view the DIP Charges are reasonable in the circumstances.

The Administration Charge

57. The Foreign Representative is seeking an Administration Charge in an amount not to exceed CAD\$700,000 over the assets and properties of the Canadian Debtors, wherever located, in Canada to secure the fees and disbursements of the Canadian Professionals incurred in respect of these CCAA Recognition Proceedings. For certainty, the proposed Administration Charge does not extend to the assets or property of the US Debtors.
58. The Administration Charge is a customary provision in recognition orders under Part IV of the CCAA. It is required by certain of the professionals engaged to assist a debtor company and to protect those professionals in the event that the debtor is unable to pay the fees and costs incurred by the professionals during the Restructuring Proceedings.

59. The proposed Administration Charge is proposed to rank in priority to all other encumbrances in respect of the Canadian Debtors.

60. The Proposed Information Officer is of the view that the quantum of the Administration Charge is reasonable and appropriate in the circumstances given: (i) the complexities of the cross-border proceedings; and (ii) the services to be provided by the professionals involved.

The D&O Charge

61. The Foreign Representative is seeking a D&O Charge in an amount not to exceed CAD\$4,300,000. The quantum of the proposed D&O Charge was calculated in consideration of one pay period's estimated wages, accrued vacation, and federal and provincial tax liability exposure, as well as consideration of other potential liabilities for which the directors and officers may potentially have statutory personal liability.

62. The Proposed Information Officer notes that the directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any existing insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the Initial Order.

63. The D&O Charge will have the priority set out in the draft Supplemental Order.

64. The Proposed Information Officer is of the view that the quantum of the D&O Charge is reasonable and, accordingly, the Proposed Information Officer respectfully recommends that the request for the D&O Charge be granted by the Ontario Court.

Recommendations

65. Given the interconnectedness among the Chapter 11 Debtors, particularly with most management and administrative functions being performed in the US, a restructuring of the business of the Chapter 11 Debtors as a whole is likely to provide enhanced recoveries and prevent liquidation proceedings in respect of the Canadian Debtors.

66. Based on the foregoing and in reliance on the facts and assumptions set out herein, the Proposed Information Officer is of the view that the relief being sought by the Foreign Representative is reasonable in the circumstance and respectfully recommends that the Ontario Court grant the requested relief in the form of the Initial Recognition Order and the Supplemental Order.

All of which is respectfully submitted to the Ontario Court this 26th day of February, 2024

GRANT THORNTON LIMITED,
*As Proposed Information Officer of the Chapter 11 Debtors
and not in its personal or corporate capacity*

Per:



Jonathan Krieger, CPA, CA, CIRP, LIT
Sr. Vice President

“Appendix 1”

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

In re:

HORNBLOWER HOLDINGS LLC,

Debtor.

Tax I.D. No. 61-2116035

In re:

ALCATRAZ CRUISES, LLC,

Debtor.

Tax I.D. No. 20-3965680

In re:

ALCATRAZ FLEET, LLC,

Debtor.

Tax I.D. No. 74-3257611

In re:

ALCATRAZ FREEDOM, LLC,

Debtor.

Tax I.D. No. 84-2908160

)
) Chapter 11
)
) Case No. 24-90061 (MI)
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) Chapter 11
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) Case No. 24-90062 (MI)
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) Chapter 11
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) Case No. 24-90063 (MI)
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) Chapter 11
)
) Case No. 24-90066 (MI)
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In re:	)	
ALCATRAZ ISLAND SERVICES, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 16-1773774	)	Case No. 24-90075 (MI)
In re:	)	
AMERICAN COUNTESS, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 81-3707563	)	Case No. 24-90080 (MI)
In re:	)	
AMERICAN DUCHESS, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 81-3497775	)	Case No. 24-90082 (MI)
In re:	)	
AMERICAN QUEEN HOLDCO, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 38-4077314	)	Case No. 24-90086 (MI)
In re:	)	
AMERICAN QUEEN HOLDINGS, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 81-4605272	)	Case No. 24-90095 (MI)

In re:

AMERICAN QUEEN STEAMBOAT OPERATING
COMPANY, LLC,

Debtor.

Tax I.D. No. 35-2410122

In re:

AMERICAN QUEEN SUB, LLC,

Debtor.

Tax I.D. No. 38-4077314

In re:

ANCHOR MEXICO HOLDINGS, LLC,

Debtor.

Tax I.D. No. 88-3590412

In re:

ANCHOR OPERATING SYSTEM, LLC,

Debtor.

Tax I.D. No. 86-2254555

In re:

ASG ADVISORS, LLC,

Debtor.

Tax I.D. No. N/A

) Chapter 11

) Case No. 24-90100 (MI)

) Chapter 11

) Case No. 24-90104 (MI)

) Chapter 11

) Case No. 24-90108 (MI)

) Chapter 11

) Case No. 24-90113 (MI)

) Chapter 11

) Case No. 24-90119 (MI)

In re:	)	
BABARUSA, LLC,	)	Chapter 11
Debtor.	)	Case No. 24-90124 (MI)
Tax I.D. No. N/A	)	
In re:	)	Chapter 11
BAY STATE, LLC,	)	Case No. 24-90126 (MI)
Debtor.	)	
Tax I.D. No. 83-0508085	)	
In re:	)	Chapter 11
BOOTH PRIMARY, LLC,	)	Case No. 24-90132 (MI)
Debtor.	)	
Tax I.D. No. N/A	)	
In re:	)	Chapter 11
BOSTON HARBOR CRUISES, LLC,	)	Case No. 24-90137 (MI)
Debtor.	)	
Tax I.D. No. 84-2528566	)	
In re:	)	Chapter 11
CHOI ADVISORY, LLC,	)	Case No. 24-90138 (MI)
Debtor.	)	
Tax I.D. No. N/A	)	

In re:	)	
	)	Chapter 11
CITY CRUISES CAFE, LLC,	)	
	)	Case No. 24-90064 (MI)
Debtor.	)	
	)	
Tax I.D. No. 87-3416472	)	
	)	
In re:	)	Chapter 11
	)	
CITY CRUISES LTD.,	)	Case No. 24-90072 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 888886772	)	
	)	
In re:	)	Chapter 11
	)	
CITY FERRY TRANSPORTATION SERVICES, LLC	)	Case No. 24-90081 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 66-0999698	)	
	)	
In re:	)	Chapter 11
	)	
COLUGO LINER, LLC,	)	Case No. 24-90085 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. N/A	)	
	)	
In re:	)	Chapter 11
	)	
CRUISING EXCURSIONS LTD.,	)	Case No. 24-90089 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 888886773	)	

In re:	)	
	)	Chapter 11
CRUISING EXCURSIONS TRANSPORT LTD.,	)	
	)	Case No. 24-90094 (MI)
Debtor.	)	
	)	
Tax I.D. No. 888886774	)	
In re:	)	Chapter 11
	)	
EON PARTNERS, LLC,	)	Case No. 24-90099 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 80-0870280	)	
In re:	)	Chapter 11
	)	
FALLS MER, LLC,	)	Case No. 24-90105 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. N/A	)	
In re:	)	Chapter 11
	)	
FERRYBOAT SANTA ROSA, LLC,	)	Case No. 24-90109 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 90-0839571	)	
In re:	)	Chapter 11
	)	
GHARIAN HOLDINGS, LLC,	)	Case No. 24-90112 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. N/A	)	

In re:

GOURD MANAGEMENT, LLC,

Debtor.

Tax I.D. No. N/A

In re:

HBAQ HOLDINGS, LLC,

Debtor.

Tax I.D. No. 88-0618801

In re:

HBAQ HOLDINGS, LP,

Debtor.

Tax I.D. No. 88-0706725

In re:

HMS AMERICAN QUEEN STEAMBOAT COMPANY, LLC,

Debtor.

Tax I.D. No. 80-0727887

In re:

HMS FERRIES, INC.,

Debtor.

Tax I.D. No. 36-4691740

) Chapter 11

) Case No. 24-90118 (MI)

) Chapter 11

) Case No. 24-90122 (MI)

) Chapter 11

) Case No. 24-90125 (MI)

) Chapter 11

) Case No. 24-90131 (MI)

) Chapter 11

) Case No. 24-90141 (MI)

In re:	)	
	)	Chapter 11
HMS FERRIES – PUERTO RICO, LLC,	)	
	)	Case No. 24-90136 (MI)
Debtor.	)	
	)	
Tax I.D. No. 66-0933950	)	
	)	
In re:	)	Chapter 11
	)	
HMS GLOBAL MARITIME, INC.,	)	Case No. 24-90144 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3014623	)	
	)	
In re:	)	Chapter 11
	)	
HMS GLOBAL MARITIME, LLC,	)	Case No. 24-90101 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 82-5130520	)	
	)	
In re:	)	Chapter 11
	)	
HMS VESSEL HOLDINGS, LLC,	)	Case No. 24-90106 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 87-4334828	)	
	)	
In re:	)	Chapter 11
	)	
HMS-ALABAMA. INC.,	)	Case No. 24-90115 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 06-1747255	)	

	)	
In re:	)	Chapter 11
	)	
HMS-OKLAHOMA, INC.,	)	Case No. 24-90120 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 26-1091456	)	
	)	
In re:	)	Chapter 11
	)	
HMS-WESTPAC, INC.,	)	Case No. 24-90130 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 35-2190944	)	
	)	
In re:	)	Chapter 11
	)	
HNY FERRY, LLC,	)	Case No. 24-90146 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 81-1390945	)	
	)	
In re:	)	Chapter 11
	)	
HNY FERRY II, LLC,	)	Case No. 24-90142 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 92-1252771	)	
	)	
In re:	)	Chapter 11
	)	
HNY FERRY FLEET, LLC,	)	Case No. 24-90134 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 81-1423025	)	
	)	

In re:

HORNBLOWER CABLE CARS, INC.,

Debtor.

Tax I.D. No. 47-5160136

In re:

HORNBLOWER CANADA CO.,

Debtor.

Tax I.D. No. 85107 4716 RT0001

In re:

HORNBLOWER CANADA ENTERTAINMENT LTD.,

Debtor.

Tax I.D. No. 888886775

In re:

HORNBLOWER CANADIAN HOLDINGS, INC.,

Debtor.

Tax I.D. No. 47-4578943

In re:

HORNBLOWER CONSULTING, LLC,

Debtor.

Tax I.D. No. 80-0512156

) Chapter 11

) Case No. 24-90151 (MI)

) Chapter 11

) Case No. 24-90068

) Chapter 11

) Case No. 24-90071 (MI)

) Chapter 11

) Case No. 24-90078 (MI)

) Chapter 11

) Case No. 24-90155 (MI)

In re:	)	
	)	Chapter 11
HORNBLOWER CRUISE HOLDINGS, LLC,	)	
	)	Case No. 24-90154 (MI)
Debtor.	)	
	)	
Tax I.D. No. 83-4015899	)	
In re:	)	Chapter 11
	)	
HORNBLOWER CRUISES AND EVENTS, INC.,	)	Case No. 24-90087 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 20-4116386	)	
In re:	)	Chapter 11
	)	
HORNBLOWER CRUISES AND EVENTS, LLC,	)	Case No. 24-90149 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 54-1547338	)	
In re:	)	Chapter 11
	)	
HORNBLOWER CRUISES AND EVENTS CANADA LTD.,	)	Case No. 24-90092 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 106568447	)	
In re:	)	Chapter 11
	)	
HORNBLOWER DEVELOPMENT, LLC,	)	Case No. 24-90076 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3020872	)	

In re:	)	
	)	Chapter 11
HORNBLOWER ENERGY, LLC,	)	
	)	Case No. 24-90088 (MI)
Debtor.	)	
	)	
Tax I.D. No. 84-2916957	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER FACILITY OPERATIONS, LLC,	)	Case No. 24-90097 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 83-4027926	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER FERRY HOLDINGS, LLC,	)	Case No. 24-90117 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 81-1405174	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER FERRY HOLDINGS II, LLC,	)	Case No. 24-90107 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 88-4380953	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER FLEET, LLC,	)	Case No. 24-90127 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3315891	)	

In re:	)	
	)	Chapter 11
HORNBLOWER FREEDOM, LLC,	)	
	)	Case No. 24-90140 (MI)
Debtor.	)	
	)	
Tax I.D. No. 85-2464677	)	
In re:	)	Chapter 11
	)	
HORNBLOWER GROUP, INC.,	)	Case No. 24-90067 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3460564	)	
In re:	)	Chapter 11
	)	
HORNBLOWER GROUP, LLC,	)	Case No. 24-90157 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 37-1876686	)	
In re:	)	Chapter 11
	)	
HORNBLOWER GROUP HOLDCO, LLC,	)	Case No. 24-90147 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 93-3720190	)	
In re:	)	Chapter 11
	)	
HORNBLOWER HOLDCO, LLC,	)	Case No. 24-90160 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 83-3948744	)	

In re:	)	
	)	Chapter 11
HORNBLOWER HOLDINGS LP,	)	
	)	Case No. 24-90162 (MI)
Debtor.	)	
	)	
Tax I.D. No. 82-5259345	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER HOSPITALITY SERVICES, LLC,	)	Case No. 24-90163 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-3387386	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER INDIA HOLDINGS, LLC,	)	Case No. 24-90161 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 88-2057710	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER METRO FERRY, LLC,	)	Case No. 24-90159 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 84-3299990	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER METRO FLEET, LLC,	)	Case No. 24-90158 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 81-3756765	)	

In re:	)	
	)	Chapter 11
HORNBLOWER METRO HOLDINGS, LLC,	)	
	)	Case No. 24-90156 (MI)
Debtor.	)	
	)	
Tax I.D. No. 83-4015732	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER MUNICIPAL OPERATIONS, LLC,	)	Case No. 24-90069 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 85-2085487	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER NEW YORK, LLC,	)	Case No. 24-90074 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 74-3257615	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER SHIPYARD, LLC,	)	Case No. 24-90079 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 86-3882447	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER SUB, LLC,	)	Case No. 24-90084 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 83-3949319	)	

In re:	)	
	)	Chapter 11
HORNBLOWER UK HOLDINGS LTD.,	)	
	)	Case No. 24-90091 (MI)
Debtor.	)	
	)	
Tax I.D. No. 888886779	)	
	)	
In re:	)	Chapter 11
	)	
HORNBLOWER YACHTS, LLC,	)	Case No. 24-90096 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 94-2699024	)	
	)	
In re:	)	Chapter 11
	)	
JJ AUDUBON, LLC,	)	Case No. 24-90102 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 77-0704027	)	
	)	
In re:	)	Chapter 11
	)	
JOURNEY BEYOND HOLDINGS, LLC,	)	Case No. 24-90110 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 92-0817363	)	
	)	
In re:	)	Chapter 11
	)	
LIBERTY CRUISES, LLC,	)	Case No. 24-90114 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 46-4934502	)	

In re:	)	
LIBERTY FLEET, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 90-0424934	)	Case No. 24-90121 (MI)
	)	
In re:	)	Chapter 11
LIBERTY HOSPITALITY, LLC,	)	
Debtor.	)	Case No. 24-90128 (MI)
Tax I.D. No. 11-3842084	)	
	)	
In re:	)	Chapter 11
LIBERTY LANDING FERRIES, LLC,	)	
Debtor.	)	Case No. 24-90133 (MI)
Tax I.D. No. 80-0316818	)	
	)	
In re:	)	Chapter 11
LYMAN PARTNERS, LLC,	)	
Debtor.	)	Case No. 24-90139 (MI)
Tax I.D. No. N/A	)	
	)	
In re:	)	Chapter 11
MADISON UNION, LLC,	)	
Debtor.	)	Case No. 24-90143 (MI)
Tax I.D. No. N/A	)	

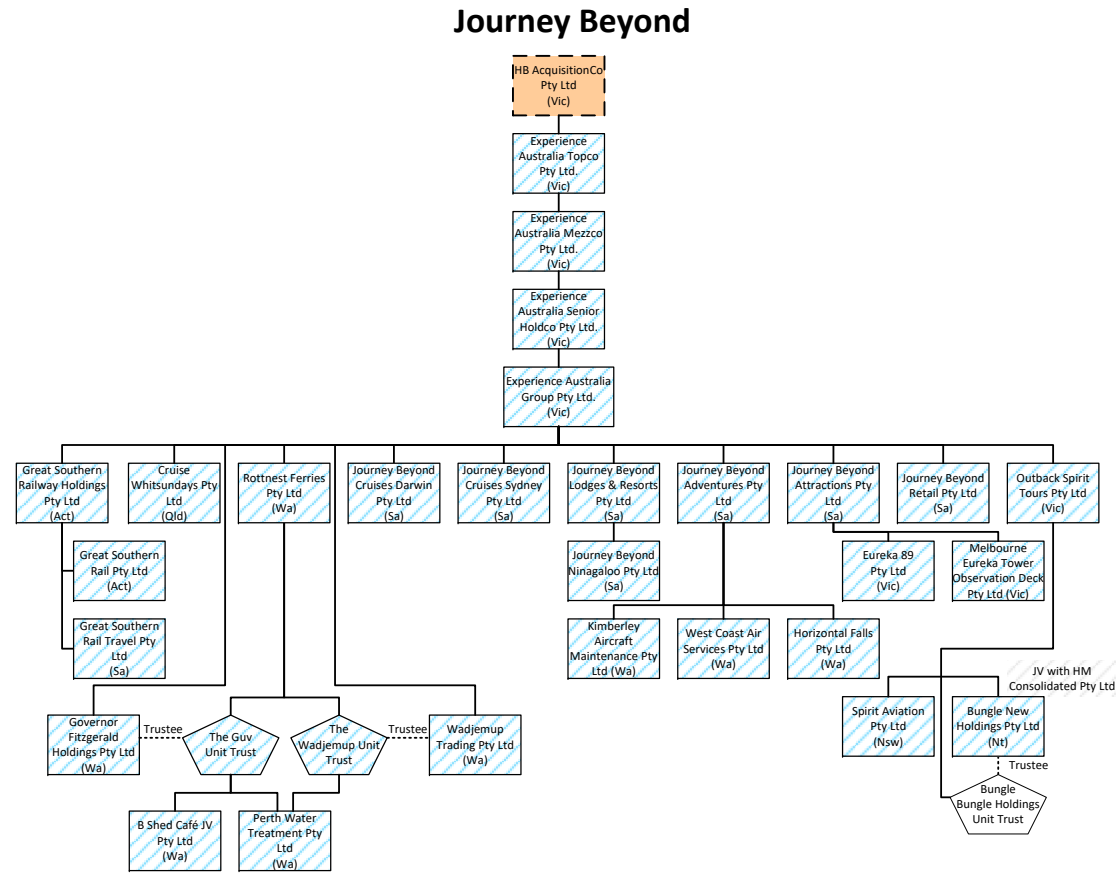
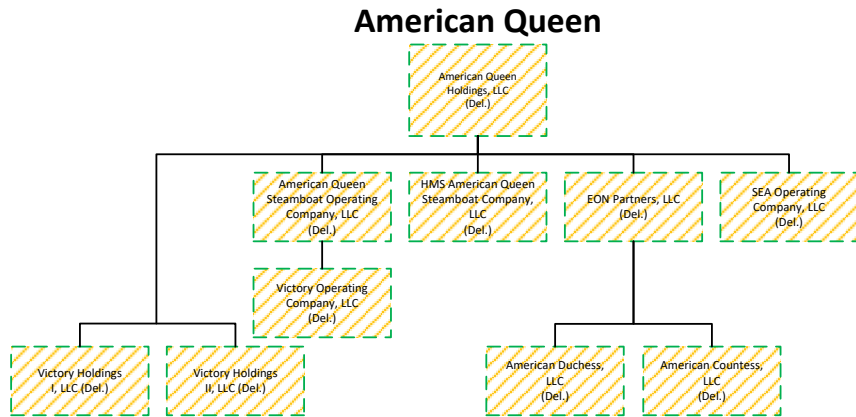
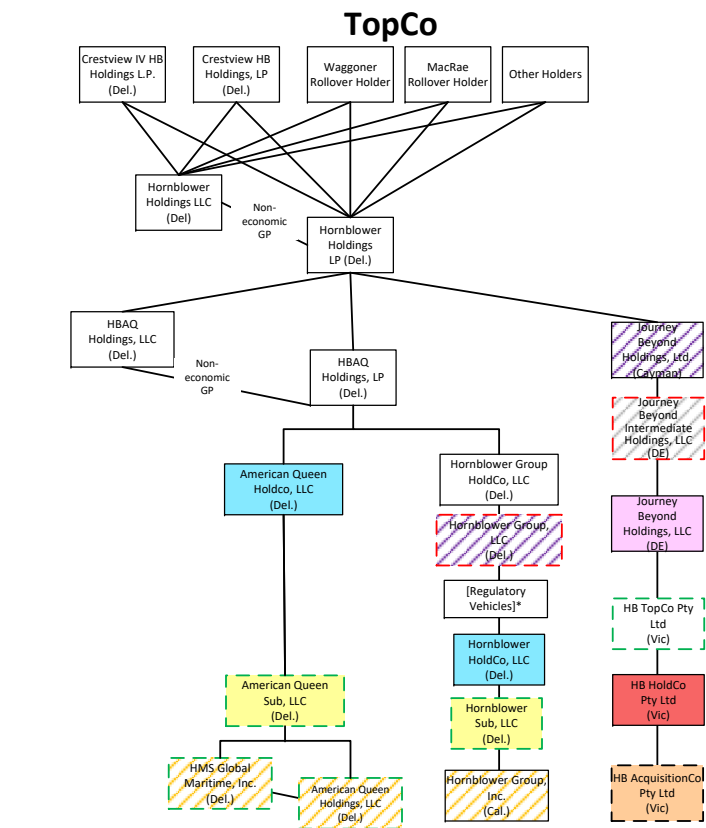
In re:	)	
MISSION BAY WATER TRANSIT, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 84-2955299	)	Case No. 24-90153 (MI)
	)	
In re:	)	Chapter 11
MISSION BAY WATER TRANSIT FLEET, LLC,	)	
Debtor.	)	Case No. 24-90148 (MI)
Tax I.D. No. 84-2933746	)	
	)	
In re:	)	Chapter 11
ORANE PARTNERS, LLC,	)	
Debtor.	)	Case No. 24-90150 (MI)
Tax I.D. No. N/A	)	
	)	
In re:	)	Chapter 11
SAN FRANCISCO PIER 33, LLC,	)	
Debtor.	)	Case No. 24-90065 (MI)
Tax I.D. No. 20-0286965	)	
	)	
In re:	)	Chapter 11
SEA OPERATING COMPANY, LLC,	)	
Debtor.	)	Case No. 24-90070 (MI)
Tax I.D. No. 85-2860375	)	

In re:	)	Chapter 11
SEAWARD SERVICES, INC.,	)	Case No. 24-90073 (MI)
Debtor.	)	
Tax I.D. No. 59-2116483	)	
In re:	)	Chapter 11
STATUE CRUISES, LLC,	)	Case No. 24-90077 (MI)
Debtor.	)	
Tax I.D. No. 20-8877253	)	
In re:	)	Chapter 11
STATUE OF LIBERTY IV, LLC,	)	Case No. 24-90083 (MI)
Debtor.	)	
Tax I.D. No. 80-0159239	)	
In re:	)	Chapter 11
STATUE OF LIBERTY V, LLC,	)	Case No. 24-90090 (MI)
Debtor.	)	
Tax I.D. No. 80-0159254	)	
In re:	)	Chapter 11
STATUE OF LIBERTY VI, LLC,	)	Case No. 24-90093 (MI)
Debtor.	)	
Tax I.D. No. 80-0174121	)	

In re:	)	
TCB CONSULTING, LLC,	)	Chapter 11
Debtor.	)	
Tax I.D. No. 30-1289523	)	Case No. 24-90098 (MI)
	)	
In re:	)	Chapter 11
VENTURE ASHORE, LLC,	)	
Debtor.	)	Case No. 24-90103 (MI)
Tax I.D. No. 87-3958788	)	
	)	
In re:	)	Chapter 11
VICTORY HOLDINGS I, LLC,	)	
Debtor.	)	Case No. 24-90111 (MI)
Tax I.D. No. 83-2689764	)	
	)	
In re:	)	Chapter 11
VICTORY HOLDINGS II, LLC,	)	
Debtor.	)	Case No. 24-90116 (MI)
Tax I.D. No. 83-2694425	)	
	)	
In re:	)	Chapter 11
VICTORY OPERATING COMPANY, LLC,	)	
Debtor.	)	Case No. 24-90123 (MI)
Tax I.D. No. 83-2709424	)	

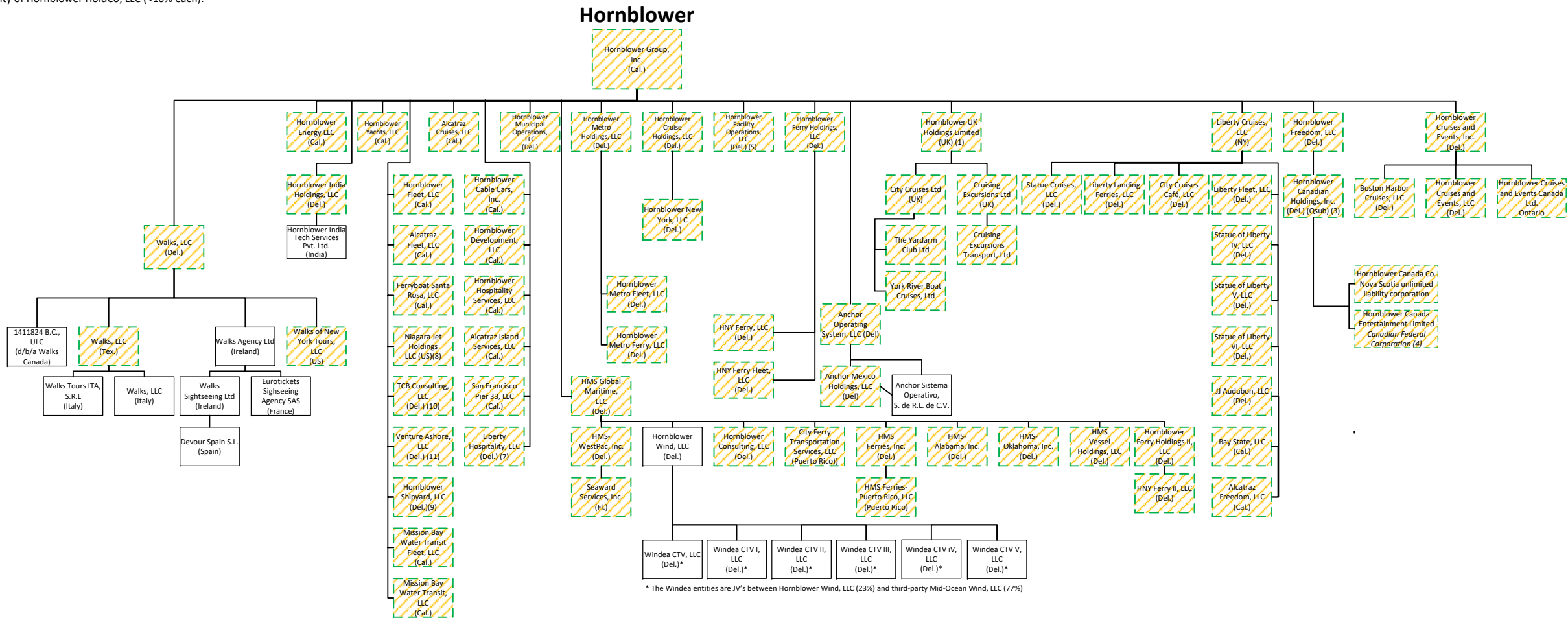
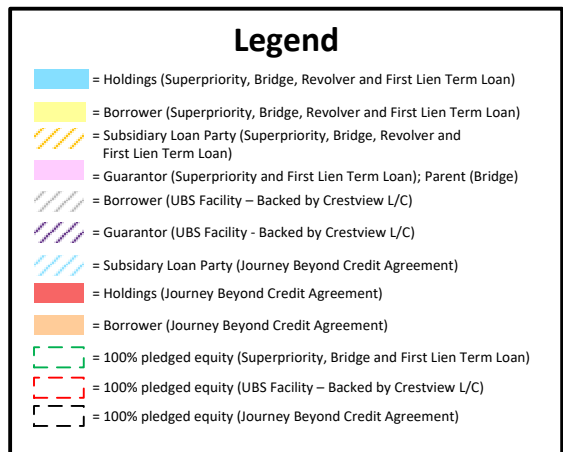
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In re:	)	Chapter 11
	)	
WALKS, LLC (DEL.),	)	Case No. 24-90135 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 90-1035862	)	
	)	
In re:	)	Chapter 11
	)	
WALKS, LLC (TEX.),	)	Case No. 24-90060 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 45-5412921	)	
	)	
In re:	)	Chapter 11
	)	
WALKS OF NEW YORK TOURS, LLC,	)	Case No. 24-90129 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 46-5190969	)	
	)	
In re:	)	Chapter 11
	)	
YARDARM CLUB (THE) LTD.,	)	Case No. 24-90145 (MI)
	)	
Debtor.	)	
	)	
Tax I.D. No. 46-5190969	)	
	)	
In re:	)	Chapter 11
	)	
YORK RIVER BOAT CRUISES LIMITED	)	Case No. 24-90152 (MI)
	)	
Debtor.	)	(Emergency Hearing Requested)
	)	
Tax I.D. No. 888886780	)	
	)	

“Appendix 2”



* For regulatory purposes, these are 11 separate single-member LLCs, which are each wholly-owned by Hornblower Group, LLC and in aggregate, own 100% of the equity of Hornblower HoldCo, LLC (<10% each):

- Falls Mer, LLC
- Madison Union, LLC
- Babarusa, LLC
- Lyman Partners, LLC
- Booth Primary, LLC
- Orane Partners, LLC
- Colugo Liner, LLC
- Gharian Holdings, LLC
- Gourd Management, LLC
- ASG Advisors, LLC
- Choi Advisory, LLC



* The Windea entities are JV's between Hornblower Wind, LLC (23%) and third-party Mid-Ocean Wind, LLC (77%)

Confidential

“Appendix 3”

CITATION: Hornblower Cruises and Events Canada Ltd., 2024 ONSC 1094

COURT FILE NO.: CV-24-00715202-00CL

DATE: 2024-02-21

SUPERIOR COURT OF JUSTICE - ONTARIO

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

AND IN THE MATTER OF HORNBLOWER CRUISES AND EVENTS CANADA LTD., HORNBLOWER CANADA ENTERTAINMENT LIMITED, HORNBLOWER CANADA CO., HORNBLOWER CANADIAN HOLDINGS, INC. AND HORNBLOWER CRUISES AND EVENTS, INC.

APPLICATION OF HORNBLOWER GROUP, INC. UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

BEFORE: Chief Justice Geoffrey B. Morawetz

COUNSEL: *Alex MacFarlane, Roger Jaipargas and Nick Hollard*, for the Applicant Hornblower Group Inc.

Raj Sahni, for the Proposed Information Officer (Grant Thornton Ltd.)

Linc Rogers and Caitlin McIntyre, for GLAS Trust Company LLC

Martino Calvaruso, Ben Muller and Tracy Sandler, for Deutsche Bank AG

HEARD: February 21, 2024

ENDORSEMENT

[1] This application was brought under Part IV of the *Companies' Creditors Arrangement Act* (the "CCAA") and section 106 of the *Courts of Justice Act* (the "CJA") by Hornblower Group, Inc. ("Hornblower Group") as the proposed foreign representative of Hornblower Canada Entertainment Limited ("Hornblower Entertainment"), Hornblower Cruises and Events Canada Ltd. ("Hornblower Cruises"), and Hornblower Canada Co. ("Hornblower Canada") (collectively, the "Canadian Debtors"), as well as Hornblower Canadian Holdings, Inc. and Hornblower Cruises and Events, Inc. (the "US Debtors"), for an interim stay of proceedings in connection with proceedings (the "US Proceedings") under Chapter 11 of Title 11 ("Chapter 11") of the United States Code (the "US Code") commenced by Hornblower Group and certain of its affiliates (collectively, the "Debtors"), including the Canadian Debtors, in the United States Bankruptcy Court for the Southern District of Texas (the "US Court").

[2] The factual basis for this application is set out in the Affidavit of Jonathan Hickman, Chief Restructuring Officer of Hornblower Holdings LLC and certain of its affiliates, sworn February 21, 2024 (the "Hickman Affidavit").

[3] Capitalized terms not otherwise defined have meanings set out in the Hickman Affidavit.

[4] The motion was not opposed.

[5] The Debtors, including the Canadian Debtors and US Debtors, are part of a worldwide travel and tourism group of companies ("Hornblower" or the "Company"), providing sightseeing boat tours and ferries, walking tours, rail excursions, outback adventures, and a wide array of tourist experiences.

[6] Hornblower's business consists of three divisions:

- (a) The Hornblower Silo, which carries on the City Experiences business, which provides sightseeing ferries and cruises, as well as walking tours in Canada, the US, Mexico, South America, Europe, Asia, and Africa;
- (b) The AQV Silo, carrying on the American Queen Voyages ("AQV") business, which primarily provides sightseeing cruises in the US; and
- (c) The Journey Beyond Silo, carrying on the Journey Beyond business, which provides a variety of a sightseeing and experience-based activities in Australia.

[7] Hornblower's largest presence is in the U.S. The revenue generated by the Canadian Debtors for the year ended December 31, 2023, represented approximately 7% of the Company's consolidated revenue for such period.

[8] The Debtors' total funded debt is approximately \$1.2 billion (the "Prepetition Secured Debt"). The Canadian Debtors and US Debtors are guarantors of a substantial portion of the Debtors' secured debt.

[9] The Canadian Debtors and US Debtors are not co-borrowers under any of the Prepetition Secured Debt Agreements.

[10] The Canadian Debtors are guarantors of the Prepetition Secured Debt (except the Incremental Superpriority Facility in the amount of \$148.5 million) and have provided general security agreements over their assets, properties, and undertaking in support of the obligations arising under such guarantees and the obligations of the loan parties under the loan documents for the Prepetition Secured Debt (including, for greater certainty, the Incremental Superpriority Facility) (and, in the case of the Superpriority Facility and the First Lien Term Facility, the obligations of Journey Beyond Holdings, LLC, a limited liability company incorporated pursuant to the laws of Delaware).

[11] The Canadian Debtors are members of the broader, integrated network of the Hornblower entities, which is centrally managed by the Company's senior leadership team principally from Hornblower Group's offices in San Francisco, California.

[12] Hornblower Cruises is a corporation incorporated under the laws of Ontario with its registered office located at 207 Queens Quay West, Suite 425, Toronto, Ontario.

[13] Hornblower Canada is a corporation incorporated under the laws of Nova Scotia with its registered office located at 5775 River Road, Unit 110, Niagara Falls, Ontario.

[14] Hornblower Entertainment is a corporation incorporated under the laws of Canada with its registered office located at 5775 River Road, Unit 110, Niagara Falls, Ontario. Hornblower Entertainment is a dormant company with no operations, employees, or assets, and is in the process of being wound down.

[15] After years of growth, Hornblower suffered significant financial hardship due to the COVID-19 pandemic and related shutdown orders throughout the world that had a substantial and negative impact on the Company's operations. After taking on substantial debt to weather the pandemic, Hornblower has faced difficulties servicing its debt due to rising interest rates and underperformance of certain of its business operations, which have not rebounded to pre-pandemic levels.

[16] In an effort to preserve value and effect an orderly restructuring of the business, the Debtors commenced the US Proceedings on February 20, 2024 (the "Petition Date") by filing voluntary petitions for relief (the "Petitions") under Chapter 11 in the US Court. A hearing before the US Court is scheduled for 5:00 p.m. (CST) February 21, 2024 (the "First Day Hearing"), at which time the Debtors will seek various first day orders pursuant to the US Code (the "First Day Orders"), including, among other things, an order appointing Hornblower Group as the foreign representative for the US Proceedings (in such capacity, the "Foreign Representative").

[17] At this time, Hornblower Group, as the proposed Foreign Representative of the US Proceedings, is requesting an order from this Court granting an interim stay of proceedings (the "Interim Stay") in respect of the Canadian Debtors, the US Debtors and Hornblower Group in Canada (the "Interim Stay Order"). If the US Court grants the requested First Day Orders, Hornblower Group anticipates returning before this Court to seek two additional orders, namely:

- (a) an order (the "Initial Recognition Order"), among other things, (i) declaring the Hornblower Group as the Foreign Representative in respect of the Chapter 11 Cases; (ii) recognizing the Chapter 11 Cases as a "foreign main proceeding" in respect of the Debtors; and (iii) granting a stay of proceedings in respect of the Canadian Debtors.
- (b) an order (the "Supplemental Order"), among other things, (i) recognizing certain First Day Orders, (ii) granting a stay of proceedings in respect of the U.S. Debtors and Hornblower Group, and their respective directors and officers in Canada; (iii) appointing Grant Thornton Limited as the information officer

in respect of these proceedings (in such capacity, the “Information Officer”), (iv) granting an administration charge over the assets and property of the Canadian Debtors in Canada in favour of Canadian counsel to the Canadian Debtors, the Information Officer and counsel to the Information Officer, (v) granting a directors’ charge over the assets and property of the Canadian Debtors in Canada in favour of the directors and officers of the Canadian Debtors to secure the Canadian Debtors’ indemnification obligations, and (vi) granting a charge over the assets and property of the Canadian Debtors in Canada to secure the interim financing that has been negotiated by the Debtors (the “DIP Financing”).

[18] The issue to be considered on this application is whether this Court should grant the Interim Stay Order providing for the Interim Stay in Canada.

[19] This Court has previously granted interim orders providing for a temporary stay of proceedings in Canada following the initiation of Chapter 11 (See: *Lightsquared LP, Re*, 2012 ONSC 2994 at para 3; *Paladin Labs Canadian Holding Inc.*, 2022 ONSC 4748 at para 20 [*Paladin Interim Stay Endorsement*] and *YRC Freight Canada Company (Re)* 2023 ONSC 4492, 2023 CarswellOnt 12928 (*Yellow*)).

[20] In *Paladin Labs Inc.*, I observed that granting the interim stay and other relief as proposed in the interim order was “in accordance with the principles of cooperation and comity” and within the Court’s jurisdiction.

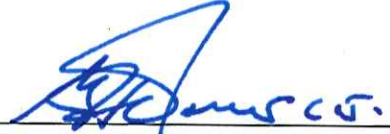
[21] In my view, the granting of the requested Interim Stay is within the Court’s jurisdiction, consistent with this Court’s practice in recent Part IV recognition proceedings, and important for the preservation of the value of the Canadian Business as part of Hornblower’s orderly restructuring efforts.

[22] I am also satisfied that this Court has the jurisdiction to grant a stay with respect to non-applicant debtor companies. In the context of a recognition proceeding, the Court’s jurisdiction arises from its authority under subsection 49(1) of the CCAA and pursuant to section 106 of the CJA. A stay of proceedings is also consistent with the principles of comity and cooperation embodied in section 52 of the CCAA. (See: *Tamerlane Ventures Inc, Re*, 2013 ONSC 5461 at para 21; *Pacific Exploration & Production Corp, Re*, 2016 ONSC 5429 at para 26; *Paladin Interim Stay Endorsement* at paras 24-25).

[23] Hornblower Group submits that the balance of convenience favours granting the stay of proceedings in favour of the Debtors, as such protection is critical to preserve overall stability and allow the Company to maximize value for stakeholders and implement an orderly wind-down. For the purpose of this motion, I accept this submission.

[24] I am satisfied that it is both appropriate and necessary to grant the Interim Stay Order.

[25] In the event that the U.S. Court grants the requested First Day Orders, arrangements can be made for Hornblower Group to schedule a recognition motion returnable on Tuesday, February 27, 2024 at 11:00 a.m. before me.



Chief Justice Geoffrey B. Morawetz

Date: February 21, 2024



Court File No. CV-24-00715202-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE CHIEF

)
)

WEDNESDAY, THE 21st

JUSTICE MORAWETZ

)

DAY OF FEBRUARY, 2024

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

**AND IN THE MATTER OF HORNBLOWER CRUISES AND EVENTS CANADA
LTD., HORNBLOWER CANADA ENTERTAINMENT LIMITED,
HORNBLOWER CANADA CO., HORNBLOWER CANADIAN HOLDINGS,
INC. AND HORNBLOWER CRUISES AND EVENTS, INC.**

**APPLICATION OF HORNBLOWER GROUP, INC. UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**INTERIM STAY ORDER
(FOREIGN PROCEEDING)**

THIS APPLICATION, made pursuant to 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*, R.S.O. 1990, c. C.43, as amended by Hornblower Group, Inc. ("**Hornblower Group**") in its capacity as the proposed foreign representative (in such capacity, the "**Proposed Foreign Representative**") in respect of the proceedings commenced on February 21, 2024, in the United States Bankruptcy Court for the Southern District of Texas pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record, was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the Notice of Application and the affidavit of Jonathan Hickman sworn February 21, 2024.

AND ON HEARING the submissions of counsel for the Proposed Foreign Representative, counsel for Grant Thornton Limited, in its capacity as the proposed information officer (the "**Proposed Information Officer**"), and counsel for such other parties as were present and wished to be heard:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that until such date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of (a) Hornblower Cruises and Events Canada Ltd., Hornblower Canada Entertainment Limited and Hornblower Canada Co. (collectively, the "**Canadian Debtors**" and each a "**Canadian Debtor**") or affecting their business (the "**Canadian Debtors Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Canadian Debtors Property**"), or (b) Hornblower Group, Hornblower Canadian Holdings, Inc. and Hornblower Cruises and Events, Inc. (together with the Canadian Debtors, the "**Debtors**") or affecting its business in Canada (the "**Hornblower Group Business**", and together with the Canadian Debtors Business, the "**Business**") or its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate in Canada, including all proceeds thereof (the "**Hornblower Group Property**", and together with the Canadian Debtors Property, the "**Property**"), except with the written consent of the applicable Debtor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Debtors, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities or person (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable Debtor, or with leave of this

Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceeding, (ii) empower any Debtor to carry on any business in Canada which such Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

4. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by any of the Debtors and affecting the Business or Property in Canada, except with the written consent of the applicable Debtor, or with leave of this Court.

ADDITIONAL PROTECTIONS

5. **THIS COURT ORDERS** that, during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation, all licencing arrangements, manufacturing arrangements, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, fuel, maintenance, customs broker services or other services provided in respect of the Property or Business of the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use in Canada of their current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses and domain names.
6. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law

to be liable in their capacity as directors or officers for the payment or performance of such obligations.

NO SALE OF PROPERTY

7. **THIS COURT ORDERS** that, except with the leave of this Court, each of the Canadian Debtors is prohibited from selling or otherwise disposing of:
- a. outside the ordinary course of its Business, any of its Property in Canada that relates to the Business; and
 - b. any of its other Property in Canada.

SERVICE AND NOTICE

8. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directionsieservice-commercial0>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure, service of documents in accordance with the Protocol will be effective on transmission.
9. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtors, the Proposed Foreign Representative, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic transmission to the Debtors' creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the records of the applicable Debtor and that any such service or distribution shall be deemed to be received (a) in the case of delivery by personal delivery, facsimile or electronic transmission, on the date of delivery or transmission, (b) in the case of delivery by prepaid ordinary mail, on the third business day after mailing,

and (c) in the case of delivery by courier, on the next business day following the date of forwarding thereof.

10. **THIS COURT ORDERS** that the Debtors, the Proposed Foreign Representative, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order and any other materials and Orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

GENERAL

11. **THIS COURT ORDERS** that any party may, from time to time, apply to this Court for such further or other relief as it may advise, including for directions in respect of this Order.
12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the United States of America or any other foreign jurisdiction, to give effect to this Order and to assist the Debtors, the Proposed Foreign Representative and their counsel and agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and the Proposed Foreign Representative as may be necessary or desirable to give effect to this Order, or to assist the Debtors and the Proposed Foreign Representative and their agents in carrying out the terms of this Order.
13. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. on the date of this Order without the need for entry or filing of this Order.


CHIEF JUSTICE GEOFFREY B. MORAWETZ

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

AND IN THE MATTER OF HORNBLOWER CRUISES AND EVENTS CANADA LTD., HORNBLOWER CANADA ENTERTAINMENT LIMITED, HORNBLOWER CANADA CO., HORNBLOWER CANADIAN HOLDINGS, INC. AND HORNBLOWER CRUISES AND EVENTS, INC.

APPLICATION OF HORNBLOWER GROUP, INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

INTERIM STAY ORDER
(FOREIGN PROCEEDING)

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto ON M5H 4E3
Tel: 416-367-6000
Fax: 416-367-6749

Roger Jaipargas – LSO No. 43275C
Tel: 416-367-6266
rjaipargas@blg.com

Alex MacFarlane – LSO No. 28133Q
Tel: 416-367-6305
amacfarlane@blg.com

Lawyers for the Applicant

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT
TORONTO

PRE-FILING REPORT OF GRANT
THORNTON LIMITED AS PROPOSED
INFORMATION OFFICER

BENNETT JONES LLP
3400 One First
Canadian Place P O Box 130
Toronto Ontario M5X 1A4

RAJ SAHNI (LSO # 42942U)
Tel: 416-777-4804
sahnir@bennettjones.com

AIDEN NELMS (LSO # 74170S)
Tel: 416-777-4642
nelmsa@bennettjones.com

Lawyers for Grant Thornton Limited,
the proposed Information Officer