

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

COMPLEX BUSINESS LITIGATION
DIVISION

In re:

CRYSTAL CRUISES LLC, a California
limited liability company,

Case No. 2022-002742-CA-01
Lead Case

CRYSTAL HOLDINGS U.S., LLC, a
Delaware limited liability company,

Case No. 2022-002757-CA-01

CRYSTAL AIRCRUISES, LLC, a Florida
limited liability company, and

Case No. 2022-002758-CA-01

To: Assignors,

(Jointly Administered Cases)

MARK C. HEALY,

Assignee.

**MOTION FOR APPROVAL AND PAYMENT OF FEES OF ASSIGNEE, MARK C.
HEALY FOR THE PERIOD OF JULY 1, 2023 THROUGH MARCH 31, 2024**

**NOTICE OF OPPORTUNITY TO OBJECT
TO CREDITORS AND OTHER INTERESTED PARTIES:**

PLEASE TAKE NOTICE that, pursuant to Fla Stat. § 727.111(4), the Assignee may pay the fees and expenses of the Assignee as set forth herein, and the Court may consider these actions without further notice or hearing unless a party in interest files an objection within 21 days from the date this paper is served. If you object to the relief requested in this paper, you must file your objection with the Miami-Dade County Clerk of the Court at 73 W. Flagler Street, Room 133, Miami, FL 33130, and serve a copy on the Assignee's counsel, Paul Steven Singerman, Esq. and Samuel Jason Capuano, Esq., Berger Singerman LLP, 1450 Brickell Avenue, Suite 1900, Miami, FL 33131, and any other appropriate person. If you do not file an objection within the time permitted, the Assignee and the Court will presume that you do not oppose the granting of the relief requested in the paper.

Mark C. Healy (“Assignee” or “Applicant”), solely in his capacity as the Assignee for the benefit of creditors of Crystal Cruises LLC, Crystal Holdings U.S. LLC, and Crystal AirCruises LLC (collectively, the “Assignors”), pursuant to Florida Statutes §§ 727.102, 727.109(1), (10) and (15), and § 727.111(4), and the Court’s *Order Granting Assignee’s Motion for Entry of an Order: (1) Approving Noticing Procedures, (2) Approving Proof of Claim Forms; and (3) Extending Deadline to Serve Notice of Assignment* (the “Notice Procedures Order”) entered on March 3, 2022, files this motion (the “Motion”) for approval and payment of fees to the Assignee in the amount of \$5,472,295.05, which represents 10% of the \$54,722,950.50¹ in receipts during the period of July 1, 2023 through March 31, 2024 (the “Application Period”). In support of the Motion, the Assignee states:

1. On February 10, 2022, the Assignors executed and delivered, and the Assignee accepted, irrevocable assignments for the benefit of creditors to the Assignee (collectively, the “Assignments”). On February 11, 2022 (the “Petition Date”), a *Petition Commencing Assignment for the Benefit of Creditors* was filed by the Assignee for each of the Assignors, thereby commencing the following assignment for the benefit of creditors cases pursuant to Section 727 of the Florida Statutes, in this Court: *In re Crystal Cruises LLC*, Case No. 2022-002742-CA-01, *In re Crystal Holdings U.S. LLC*, Case No. 2022-002757-CA-01, and *In re Crystal Aircruises LLC*, Case No. 2022-002758-CA-01 (collectively, the “Assignment Cases”).

2. Prior to the Petition Date, the Assignors were engaged in the travel and entertainment business, including operating ocean, river, and expedition cruises and conducting related activities around the world.

¹ The Assignee is currently holding \$1,162,983.06 that is due to a third-party related entity following a settlement with the Assignor’s landlord. Such amounts are reflected on the attached Interim Report but are not included as “receipts” used to calculate the Assignee’s fee in this motion.

3. From July 1, 2023 through March 31, 2024, the Assignee generated \$54,722,950.50 in receipts through the prosecution and liquidation of claims against third parties, through the recovery of credit card reserves from creditor card companies and processors, and via other receipts.

4. The Assignee's efforts in the Assignment Cases have been substantial and tremendously successful for the benefit of the assignment estates of the Assignors (the "Assignment Estate"). At the onset of the Assignment Cases, it was unclear if there would be any assets to distribute to creditors. As a result of the efforts of the Assignee, priority consumer and employee creditors have already been paid in excess of \$16 million (representing a priority payment to consumer and employee creditors of the statutory maximum under Fla Stat. §§ 727.14(c)-(e))² and a meaningful distribution in the tens of millions of dollars will be made to general unsecured creditors.

5. At the same time, through the Assignee's focused efforts on claims reconciliation, including the analysis and prosecution of over 5,000 claims objections, the aggregate claims body in this case has been reduced by hundreds of millions of dollars, such that pro rata distributions to general unsecured creditors will be increased. With respect to consumer claims, the Assignee, along with his counsel, have developed an efficient procedure for the review and reconciliation of claims, including reviewing the Assignor's records and separately accounting for credit card chargebacks and travel insurance payouts in conjunction with credit card companies and processors and travel insurance companies, and the filing of omnibus claim objections and interfacing with thousands of claimants.

² Approximately \$3 million in priority payments to consumer and employee creditors remains to be distributed. The Assignee is working with such creditors in order to obtain valid addresses and/or wire information in order to make the remaining distributions.

6. During the Application Period, the Assignee recovered in excess of \$20 million through the settlement of claims against third parties. That includes a \$15.5 million settlement with former directors and officers and over \$4.5 million in two settlements with former landlords in Miami and Los Angeles. Each of the foregoing settlements were obtained following lengthy and complex negotiations and, in some instances, following the filing of lawsuits.

7. Also during the Application Period, the Assignee recovered in excess of \$34 million from credit card companies and processors. These recoveries, too, were the result of lengthy and complex negotiations, and included analyzing thousands of chargeback requests submitted by customers of the Assignor to their credit card companies.

8. During the Application Period, the Assignee has also performed many other necessary services for the benefit of the Assignment Estates including, without limitation, the following:

(a) received and responded to thousands of emails and phone calls related to consumer, employee, and vendor claims questions;

(b) attended meetings and conferences with representatives of credit card companies related to various issues;

(c) collecting, reviewing, reconciling, and administering in excess of 12,400 filed proofs of claims of creditors;

(d) conducting discussions with Assignee's counsel regarding a wide array of case related matters;

(e) reviewing invoices, making disbursements, reconciling the bank accounts;

(f) analyzing claims against various third parties including former officers and directors, former landlords in Florida and California, and others, and communicating with counsel in connection with such claims, and attending mediations on such claims;

(g) communicating with the joint provisional liquidators of Genting Hong Kong Limited concerning their claim in the Assignment Estate;

(h) communicating with creditors and the Assignee's team to discuss the status of these Assignment Cases and various related matters; and

(i) assisted in preparing motions for approval of payment of the fees of the Assignee and his professionals.

9. The foregoing list represents only a selection of the activities performed by the Assignee in these cases for the benefit of the Assignment Estates.

10. As of March 31, 2024, the cash balance in the Assignment Estate is in excess of \$65 million (the "Estate Funds").

11. The Applicant requests an award of fees in the amount of \$5,472,295.05, which represents 10% of the \$54,722,950.50 in receipts for the period of July 1, 2023 through March 31, 2024. Attached hereto as **Exhibit "A"** is the Assignee's *Third Interim Report for the Period July 1, 2023 to March 31, 2024*, which provides a breakdown of the estate's total receipts of \$54,722,950.50³ from July 1, 2023 through March 31, 2024.

12. Florida Statute § 727.109(10) provides the Court authority to "[a]pprove reasonable fees and the reimbursement of expenses for the assignee and all professional persons retained by the assignee. . ."

³ This excludes the \$1,162,983.06 in funds held by the Assignee that is due to a third-party, as explained in n.1, *supra*.

13. The usual, customary, and appropriate rate of compensation for an assignee in an Assignment for the Benefit of Creditors proceeding is 10% of the estate's receipts. This Court previously approved compensation for the Assignee calculated as 10% of the estate's receipts. *See* D.E. 191 and 427. Accordingly, the requested fee is customary, reasonable, and appropriate based upon the circumstances of these Assignment Cases and the results obtained by the Assignee.

WHEREFORE, the Assignee respectfully requests that this Court enter an Order, in the form attached hereto as **Exhibit "B"**, (i) granting the Motion; (ii) approving the Applicant's request for compensation for services rendered in the amount of \$5,472,295.05, representing 10% of the total receipts for the period of July 1, 2023 through March 31, 2024; (iii) authorizing the payment to the Assignee of **\$5,472,295.05**, representing the fees requested herein; and (iv) granting such other and further relief as the Court deems just and proper.

Dated: April 16, 2024

BERGER SINGERMAN LLP
Co-Counsel for Assignee
1450 Brickell Avenue, Suite 1900
Miami, FL 33131
Telephone: (305) 755-9500
Facsimile: (305) 714-4340

By: /s/ Samuel J. Capuano
Paul Steven Singerman
Florida Bar No. 378860
singerman@bergersingerman.com
Samuel J. Capuano
Florida Bar No. 90946
scapuano@bergersingerman.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing was served via the Florida Court's e-Filing Portal on April 16, 2024 to all parties that have entered an appearance in this case; on counsel for the Assignors, Adam Losey, Esq., Losey PLLC, 1420 Edgewater Drive, Orlando, FL 32804, via email to alosey@losey.law; via email to cbl44@jud11.flcourts.org pursuant to CBL Rule 2.2; and via e-mail to all creditors and interested parties on the e-mail service list pursuant to the Notice Procedures Order.

By: /s/ Samuel J. Capuano
Samuel J. Capuano

EXHIBIT A

Crystal Cruises LLC
Case No.:2022-002742-CA-01
Third Interim Report for the Period Ending
July 1, 2023 to March 31, 2024

Receipts

Interest Income	\$	55,620.83
Auction Proceeds	\$	995.50
Refunds	\$	7,611.37
Recovery of CC Reserves	\$	34,551,466.10
Settlements	\$	<u>21,270,239.76</u>
Total Receipts	\$	55,885,933.56

Disbursements

Records & Data Management	\$	22,049.36
Bank fees	\$	11,119.21
Auto Expense	\$	6.29
Computer/Technology Service	\$	127,381.89
Contract Labor	\$	139,316.56
FedEx & Delivery	\$	570.92
Legal Fees	\$	5,184,731.26
Legal Costs	\$	62,687.64
Assignee Fees	\$	2,360,790.62
Shipping Expense	\$	622.98
Office Expense	\$	223.25
Postage, Photocopies, Fax	\$	2,083.88
Surety Bond	\$	30,500.00
Travel Expense	\$	2,653.82
Priority Government & Tax Claims	\$	63,154.56
Priority Consumer Claims	\$	15,394,826.90
Priority Wage Claims	\$	598,811.34
Settlement with Foresters	\$	<u>166,306.25</u>
Total Disbursements	\$	24,167,836.73

Net Recovery for Period	\$	31,718,096.83
Beginning Balance	\$	35,268,740.39
Cash Balance Ending 3/31/24	\$	66,986,837.22 *

* Ending Cash balance includes \$1,162,983.06 being held by Assignee but is due to a related entity following settlement with a third party.

EXHIBIT B
(Proposed form of Order)

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR
MIAMI-DADE COUNTY, FLORIDA

In re:

COMPLEX BUSINESS LITIGATION
DIVISION

CRYSTAL CRUISES LLC, a California
limited liability company,

Case No. 2022-002742-CA-01
Lead Case

CRYSTAL HOLDINGS U.S., LLC, a
Delaware limited liability company,

Case No. 2022-002757-CA-01

CRYSTAL AIRCRUISES, LLC, a Florida
limited liability company, and

Case No. 2022-002758-CA-01

Assignors,
To:

(Jointly Administered Cases)

MARK C. HEALY,

Assignee.

**ORDER GRANTING MOTION FOR APPROVAL AND
PAYMENT OF FEES OF ASSIGNEE, MARK C. HEALY FOR
THE PERIOD OF JULY 1, 2023 THROUGH MARCH 31, 2024 [DE ____]**

THIS CAUSE came before the Court upon the *Motion for Approval and Payment of Fees of Assignee, Mark C. Healy for the Period of July 1, 2023 Through March 31, 2024 [DE ____]* (the “Motion”), filed on negative notice by Mark C. Healy (the “Assignee”), solely in his capacity as the Assignee for the benefit of creditors of Crystal Cruises LLC, Crystal Holdings U.S. LLC, and Crystal AirCruises LLC (collectively, the “Assignors”), pursuant to which the Assignee seeks approval and payment of fees in the amount of \$5,472,295.05, which represents 10% of the \$54,722,950.50 in receipts during the period of July 1, 2023 through March 31, 2024 (the “Application Period”). The Court, having considered the Motion and the record in this proceeding,

noting that no objection to the Motion was filed by any party, finding that notice of the Motion was sufficient, and good cause appearing, it is hereby

ORDERED that:

1. The Motion is **GRANTED**.
2. The Assignee is awarded fees in the amount of \$5,472,295.05, which represents 10% of the \$54,722,950.50 in receipts during the Application Period.
3. The Assignee is authorized to pay to the Assignee the sum of \$5,472,295.05, representing the fees awarded to the Assignee herein.
4. In making the foregoing award, the Court finds that the amounts awarded represent reasonable compensation for actual and necessary services rendered by the Assignee for the benefit of the assignment estates.

DONE AND ORDERED in Chambers, at Miami-Dade County, Florida on this ___ day of _____, 2024.

HONORABLE LISA S. WALSH
Circuit Court Judge

Copies furnished to:

Counsel of record