

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE:

**BLUE COLLAR ENTERPRISES, LLC
DEBTOR**

**CASE NO. 18-50447
CHAPTER 11**

**MINORITY MEMBER SUZANNE SAVOY SANTILLO, L.L.C.'S OBJECTIONS TO
DISCLOSURE STATEMENT OF BLUE COLLAR ENTERPRISES, LLC**

NOW COMES, through undersigned counsel, Suzanne Savoy Santillo, L.L.C., (“Movant” or “Santillo, LLC”), which respectfully submits its objections to Debtor, Blue Collar Enterprises, LLC’s (“Blue Collar”) Disclosure Statement, Plan of Reorganization as amended and to its timely and untimely filed amended exhibits and supplements thereto.

I. Objections and Requested Modifications of Blue Collar Enterprises, LLC Minority Member Suzanne Savoy Santillo to the Adequacy and Validity of the Proposed Disclosure Dated April 11, 2018, as amended on May 8, 2018.

A. Introduction

Pursuant to this Honorable Court’s Order and Notice for Hearing in Disclosure Statement and Fixing Time for Filing objections to Approval of Disclosure Statement Dated April 18, 2018, Debtor’s Minority Member Suzanne Savoy Santillo, LLC (“Santillo LLC”) hereby files its objections and requested modifications to Debtor’s Disclosure Statement of April 11, 2018 as amended May 8, 2018 and to the proposed June 5, 2018 hearing date. The hearing date should be continued given debtor’s multiple last minute amendments and supplements to its plan on May 23rd and May 24th, giving no response time for this objection required to be filed with the Court no later than May 25th.

The Court specifically ordered debtor to comply with the following submission requirements of the entirety of debtor’s proposed disclosure statement and the proposed plan:

IT IS FURTHER ORDERED that the debtor-in-possession, through its attorney, or the trustee or proponent of the Plan of Reorganization, if applicable, forthwith serve copies of this Order and Notice for Hearing, **the proposed disclosure statement and the proposed Plan** upon each creditor and equity security holder, the Assistant U.S. Trustee (Shreveport), and the Securities and Exchange Commission (if debtor is a corporation), these documents to be served at least twenty-eight (28) days prior to the above scheduled hearing.

Therefore, all of debtor’s applicable “documents” were ordered to be submitted no later than May 8, 2018 before the Court’s scheduled June 5, 2018 hearing date on the adequacy of the disclosure statement. Accordingly, the following filings by the debtor are all untimely for a hearing by this Court on the June 5th hearing date:

PLEADING	FILED	DOC NO
Exhibit D to Amended Disclosure Statement	5.23.18	Doc No. 135
Exhibit E to Amended Disclosure Statement	5.23.18	Doc No. 136
Exhibit D to Amended Disclosure Statement	5.23.18	Doc No. 137
Notice of Debtor’s Plan Supplement	5.23.18	Doc No. 138
Plan Supplement 4.5 to First Amended Chapter 11 Plan	5.24.18	Doc No. 139
Plan Supplement 5.1 to First Amended Chapter 11 Plan	5.24.18	Doc No. 140
Plan Supplement 8.1 to First Amended Chapter 11 Plan	5.24.18	Doc No. 141
Plan Supplement 8.5 to First Amended Chapter 11 Plan	5.24.18	Doc No. 142
Notice of Filing Plan Supplement	5.24.18	Doc No. 143
Certificate of Service	5.24.18	Doc No. 144

As Debtor’s Exhibits and Plan Supplements of May 23rd and May 24th are untimely and violate this Court’s order of April 11, 2018. Accordingly, the June 5, 2018 hearing must be postponed on the amendments and supplements stricken to satisfy the Court’s order and due process concerns.

A. Specific Objections To First Amended Disclosure Statement Dated May 8, 2018

1. Santillo, LLC objects to the Disclosure Statement Summary, Section 2, as to the Claims and Equity Interest Treatment.

Any pre-plan attorney or other professional fees contained within the “Professional Fee Claims” estimation of \$50,000.00 to \$75,000.00 dollars are improper to pay to the extent that they include any fees allocated to Blue Collar for payment in defense of the State Court Derivative Action suit by LLC Members Stephen Santillo or Andre Rodrique in the case of Suzanne Santillo, LLC, Blue Collar Enterprises, 15th Judicial District Court, Lafayette Parish, Docket No. 2016-1377, Section J (“The State Court Action”).

Blue Collar will be a significant beneficiary of the suit and no need for an attorney in this matter as it has no liability or monetary exposure of any kind. Therefore, any “expenditures” in this case allocated to Blue Collar for the State Court Action are improper, should be disallowed and should be charged against Blue Collar’s Managing Member Stephen Santillo, and Member Andre Rodrigue. They are the actual Blue Collar Member defendants who have clear liability for their actions in breach of their fiduciary duties to Blue Collar. These defendants are liable to Blue Collar due to their unauthorized and uncompensated misappropriation and use of Blue Collar’s goodwill and business reputation in the start-up of a separate “Blue Dog Café” in Lake Charles, Louisiana without Blue Collar’s permission, compensation, or benefit. (*Please see the State Court Action Original and Amended Petitions*, attached hereto as Exhibit “A,” and *Santillo LLC’s Motion for Summary Judgment with Exhibits*, attached hereto as Exhibit “B”).

Until a Chapter 11 case can be reorganized or liquidated pursuant to a plan, a trustee, often the debtor-in-possession as trustee, is both authorized to and has the duty to manage the property of the bankruptcy estate. *See, Louisiana World Exposition v. Fed. Ins. Co.*, 858 F.2d 233, 245 (5th

Cir. 1988). This includes collecting the property of the bankruptcy estate in order to maximize its value. *Id.* at 246. The trustee is dutybound to assert claims or causes of action on behalf of the bankruptcy estate if doing so will maximize the estate's value. *Id.*

Because the trustee has a duty to manage and maximize the debtor's estate by pursuing claims and causes of action on its behalf, it is also vested with standing to assert these claims on behalf of the estate. *11 U.S.C. § 544*. Therefore, under most circumstances, no other party is capable of asserting such claims on their own behalf or on behalf of the bankruptcy estate without authorization from the bankruptcy court. *Larson v. Munoz (In re Munoz)*, 111 B.R. 928, 930 (D. Colo. 1990) (a creditor lacks standing claims under § 544 because the Code specifically limits the § 544 powers to the trustee.)

However, instances will arise, as has occurred here, where the trustee is unwilling or unable to assert such a claim or cause of action on behalf of the estate. Here, the debtor-in-possession is in control and does not wish to pursue claims against its controlling and culpable current and former officers, directors and manager. Under these circumstances, Santillo LLC as a equity interest creditor wishes to pursue the State Court Action in lieu of the trustee or debtor-in-possession through its knowledgeable counsel who has conducted the litigation from the start, in order to increase the value of the litigation to the Blue Collar estate.

But in order to do so, the creditor must first obtain § 544 status; standing to assert a claim or cause of action on behalf of the estate. More precisely, the creditor must obtain *derivative standing* to pursue such claims in lieu of the trustee or debtor-in-possession.

Therefore, Santillo LLC's counsel who has pursued the State Court Action from day one, requests authority from the Court and the Trustee to pursue the State Court Action for the benefit

of Debtor at no expense to the Debtor of any legal fees or costs, other than a percentage of any funds returned to Debtor's Estate.

In *Louisiana World Exposition v. Federal Insurance Co.*, the Fifth Circuit Court of Appeals observed that the law is well-settled that in some circumstances, a creditors' committee has standing under the Bankruptcy Code to file suit on behalf of a debtor-in-possession or a trustee. 858 F.2d at 247. The *Louisiana World Exposition* court then provided a loose checklist of circumstances under which such relief may be granted: 1) that the claim at issue be colorable; 2) that debtor-in-possession or trustee have refused, unjustifiably, to pursue the claim; and 3) that the committee first receive leave from the bankruptcy court to assert the claim. *Id.* The position of the 5th Circuit Court of Appeals is well summarized by the statement, "[w]here the debtor-in-possession is unable or unwilling to fulfill its obligations . . . the Committee may assert the cause of action on behalf and in the name of [the debtor] if authorized to do so by the bankruptcy court." *Id.* at 252. Here in the absence of a creditor's committee, Santillo LLC's counsel seeks authority to pursue this claim directly from the Court and the Trustee.

2. Santillo LLC objects to the summary of claims or equity interest and treatment of Blue Collar's Equity Interest Holders in Class 7 and in Section 4.7 of the Plan as of the proposed closing date and the cancellation and discharge of all Blue Collar pre-petition equity interest value without any assessment, consideration or payment of these equity interest holders of Blue Collar's goodwill and business reputation property rights, developed from 1999 to present, which is a recognized ownership right with value to Blue Collar under applicable Louisiana law.

The courts have recognized goodwill to be a property right as it applies to commercial businesses. *Godwin v. Godwin*, (La. Ct. App. 1 Cir. 1988), 533 So.2d 1009. Courts have defined goodwill as "the probability that the customers of the oLD establishment will continue their

patronage.” *Ballero v. Heslin*, (La. Ct. App. 4 Cir. 1961), 128 So.2d 453. Goodwill is recognized as an incidental property right in connection with commercial business which is capable of sale and transfer. *McDonald v. McDonald*, 40,035 (La. Ct. App. 2 Cir. 8/17/05), 909 So.2d 694, 699. (citing *Gill v. Gill*, 39,406 (La. Ct. App. 2 Cir. 3/9/05), 895 So.2d 807, citing *Head v. Head*, 30,585 (La. App. 2 Cir. 5/22/98), 714 So.2d 231. Goodwill is part of the excess value of a business enterprise beyond the buildings, inventory, and contracts. *McDonald v. McDonald*, 40,035 (La. Ct. App. 2 Cir. 8/17/05), 909 So.2d 694, 699.

Santillo LLC objects to Debtor’s plan which only gives brief reference to “goodwill” as an asset of the Debtor and its current equity members. Debtor should be charged with the responsibility to assess this value as an obligation owed to the pre-petition equity members and set forth a plan to pay them for this value as part of Debtor’s plan of reorganization if the equity interest of each LLC member is to be discharged and cancelled by the Plan. If the asset to be valued is an interest in a partnership or corporation, Louisiana courts have stated such interests should be valued, not just the physical assets of the business entity. *Ellington v. Ellington*, (La. Ct. App. 2d Cir. 2003), 842 So.2d 1160, citing *Moody v. Moody*, 622 So.2d 1381 (La. App. 1 Cir.1993); *Borrello v. Borrello*, 614 So.2d 91 (La. App. 4th Cir.1992), writ denied, 616 So.2d 706 (La.1993); *Mexic v. Mexic*, 577 So.2d 1046 (La. App. 4th Cir.1991).

3. Santillo LLC objects to Section 3 of the First Amended Disclosure Statement, which misrepresents Santillo LLC’s “compensation within 2 years” as \$72,225.00. In fact, Santillo LLC’s received distributions from Blue Collar in the total amount of \$10,425.00 in this two (2) year period, consisting of \$10,425.00 for calendar year 2016, and \$0.00 for calendar year 2017, and \$0.00 for calendar year 2018.

Santillo LLC also objects to the chart entry for “Suzanne Santillo” and the itemization of \$61,800.00 allegedly delivered to her by Blue Collar, which is also false. Any funds received by Suzanne Savoy Santillo for these years beyond the Blue Collar distributions of \$10,425.00 for calendar year 2016 were payments made to her by Blue Collar majority owner and manager Stephen Santillo to satisfy his own personal obligations to Ms. Santillo. Mr. Santillo agreed to pay his personal obligations to her in a Consent Judgment of April 17, 2014 signed by him, not Blue Collar. To the extent that Mr. Santillo satisfied his personal obligations to his former wife with Blue Collar funds, they were Blue Collar distributions and compensation to Stephen Santillo for his use in paying his ex-wife what he owed her, not Blue Collar payments or distributions to Suzanne Savoy Santillo. (*See April 17, 2014 Consent Judgment*, attached hereto as Exhibit “C”).

4. Objections to Section (e), “Events Leading to the Filing of Chapter 11 Case”

This section of the disclosure statement has been written by “Debtor’s counsel”, attorneys with no known familiarity with the history of the Blue Dog Café, or of the State Court Action filed over two (2) years ago on behalf of Blue Collar and Santillo LLC in 2016. Debtor’s counsel is apparently taking their direction from GR Restaurants LLC and Jacques Rodrigue, both potentially liable defendants in the State Court Action, and which are paying for their services. Accordingly, Debtor’s counsel have adopted the “story line” of Jacques Rodrigue and of the other potentially liable defendants in the State Court Action, Blue Collar members Stephen Santillo and Andre Rodrigue, to minimize and to seek dismissal of this valuable litigation asset belonging to Blue Collar, which should be preserved by the Reorganization Plan, as a Retained Cause of Action in Exhibit G and Appendix 1.

One of the primary goals for Jacques Rodrigue’s investments into Blue Collar and his attempted distortion of this very strong case brought against him in state court for the unauthorized and uncompensated use of Blue Collar’s good will and restaurant business reputation is to attempt

to terminate that case. This would wrongfully deprive Debtor of the substantial benefit Blue Collar will derive from it. GR Restaurants LLC and Jacques Rodrigue also seeks to have Debtor's Plan confirmed to terminate Mr. Santillo's 66% interest and Ms. Santillo's 15% interest in Blue Collar in order for him to gain full control with his brother Andre Rodrigue of Blue Collar's "Blue Dog Café" in Lafayette without any just compensation paid to Mr. or Ms. Santillo for their valuable property right earned by developing the excellent good will and business reputation of the Blue Dog Café through Blue Collar for almost twenty (20) years from 1999 to present.

Jacques Rodrigue himself admitted under oath that none of the Rodrigues had any expertise in the restaurant business when the Blue Dog Café was informally licensed to Mr. Santillo in 1999-2000 or at anytime thereafter. (See Exhibit "B", Jacques Rodrigue Deposition excerpts pp. 33-35, Exhibit "C" therein). He, his brother Andre, and Blue Collar managing member Stephen Santillo, have all admitted that the Lafayette Blue Dog Café's excellent reputation for quality food and service was used to promote the Lake Charles Blue Dog Café without the permission or authorization of, or any compensation to, Blue Collar. (Motion for Summary Judgment, Exhibit B, Deposition of Stephen Santillo pp. 61-69, 106-107, Exhibit "A" therein, deposition of Andre Rodrigue, pp. 40-44, Exhibit "B" therein, deposition of Jacques Rodrigue pp. 31-36 Exhibit "C" therein).

Santillo LLC objects to the listing in any and all itemizations of Blue Collar's alleged debt or liabilities to the alleged debt owed to George Rodrigue or the Estate of George Rodrigue in the amount of \$140,000. All such debt, to the extent that it even existed was on promissory notes and guarantee agreements which have prescribed and are unenforceable and uncollectable from Blue Collar under Louisiana law.

As far as the Consent Judgment between Mr. and Ms. Santillo of April 17, 2014 is concerned, it does not "purport" to do anything as stated by Debtor's counsel. Rather, the

Judgment very clearly sets forth a variety of obligations of Mr. Santillo, an attorney who signed the judgment with the benefit of additional counsel to Ms. Santillo that Mr. Santillo, voluntarily agreed to on April 17, 2014. The Court can read the Consent Judgment itself. (Exhibit “C” attached to these Objections).

Contrary to Debtor’s representation in paragraph 4 of section (e) on page 10, the Consent Judgment does not

“purport to obligate the Debtor to (a) pay Suzanne Santillo a weekly “salary” of \$600.00, (ii) pay Suzanne Santillo’s long-term healthcare policy, (b) pay Suzanne Santillo’s car note, in the amount of \$500.00 per month, for ten years, and (c) pay miscellaneous other expenses of Suzanne Santillo.”

The Consent Judgment does nothing of the kind. Debtor’s counsel acknowledges that Debtor was not a party to the Consent Judgment or to the personal property suit between Mr. and Ms. Santillo in which the Consent Judgment was entered. Further, Blue Collar did not sign the Consent Judgment nor was Blue Collar required to do anything as a result of it.

Therefore, these Consent Judgment payments were quite obviously being made to Ms. Santillo **by Stephen Santillo personally** to Ms. Santillo. Therefore, Debtor should drop its fallacious contention that Ms. Santillo or Santillo LLC “owe” anything to Blue Collar for these payments made by Stephen Santillo pursuant to a valid Court Judgment. Debtor should dismiss Santillo LLC and Ms. Santillo from Exhibit G Appendix 1 under Debtor’s “retained causes of action”, while inserting the highly valuable claims of Blue Collar in the State Court Action against Stephen Santillo and Andre Rodrigue for breach of fiduciary duty in their unauthorized start-up of Blue Collar’s “Blue Dog Café” format in Lake Charles. Likewise, their co-defendants Jacques Rodrigue and GR Restaurants, LLC, should also be listed as responsible defendants to the State Court Action in Exhibit G, Appendix 1. (See Exhibit “B” hereto).

Ms. Santillo's LLC objects to the characterization of the state court litigation as mentioned by Debtor in section (e) of the Disclosure Statement on the last paragraph of page 10 that this litigation has cost Blue Collar anything. Again, Blue Collar is clearly the intended beneficiary of this suit and has never had any liability exposure in this suit. Therefore, if Managing Member Stephen Santillo, who is one of the main defendants in this suit with real liability for his breach of fiduciary duties, has used Blue Collar money to defend himself and Blue Collar member Andre Rodrigue for the identical claims asserted against him, they are personally responsible to pay any such attorney's fees and costs back to Blue Collar. These would clearly be unauthorized expenditures charged to Blue Collar of no benefit to the Debtor. La. R.S. 12:1314.

Finally, Debtor's bankruptcy counsel, following a favorite red herring of Jacques Rodrigue's previous counsel, consistently and wrongly claims that this State Court Action attempted allegedly makes claims to George Rodrigue's art work or other intellectual property. This is false. The only intellectual property claim that the state court derivative action has ever alleged was for Blue Collar's own goodwill and business reputation and intellectual property in the specific field of the restaurant business, and nothing more; a field in which Jacques Rodrigue has conceded that the Rodrigue family has no expertise. (Exhibit "B", Deposition of Jacques Rodrigue, pp. 30-33, Exhibit "C" therein).

Santillo LLC objects to the concept set forth in the Disclosure Statement, section (e) page 11, first three paragraphs, that the Consent Judgment contains "equity distributions" of any kind by Blue Collar to Santillo, LLC. As previously discussed these payments were all from Stephen Santillo, made as a result of his own decision as Blue Collar's manager and majority owner to structure some of the payments he owed to Ms. Santillo as a "salary" from Blue Collar. Both Mr. Santillo and Ms. Santillo agreed that she would not be working at Blue Collar to receive these

payments. If this was allegedly improper as Debtor counsel now implies, Stephen Santillo is the culpable party.

As Blue Collar managing member and majority owner, it was only Stephen Santillo who could possibly make these payments from Blue Collar to Ms. Santillo. To the extent that he was not authorized to do so, Blue Collar has a suit against Stephen Santillo to add to its list of retained causes of action list on Exhibit G, Appendix 1; not against Ms. Santillo's LLC or Ms. Santillo.

Santillo LLC objects to section (e) page 11, paragraph three which discusses an alleged "capital call" of October 27, 2017 which in fact, did not comply with the legal requirements of the Blue Collar operating agreement. Accordingly, Ms. Santillo is not "in default" and no legal action can be filed against her. There is no viable claim to be asserted by Blue Collar.

Santillo LLC objects to every mention of the alleged interactions as to a purported "settlement" with the Rodrigue brothers or GR Restaurants, LLC ("GRR") contained in section (e) from page 11, paragraph five, through page 12, the second full paragraph. In reality, GR Restaurants, Jacques Rodrigue and their counsel abused the legal process by trying to force Ms. Santillo into a "settlement" and sale of her 15% ownership interest in Blue Collar without a written document setting forth agreeable terms and conditions for a sale. By GRR, Jacques Rodrigue and counsel by filing a "detrimental reliance suit against her, without a written settlement document between the parties as required by Louisiana law. In this matter, they all intentionally abused the legal process, for which Santillo LLC has filed a reconventional demand on which it expects to prevail. (See GRR suit, and Santillo LLC and Ms. Santillo's reconventional demand for abuse of process, attached hereto as Exhibits "D" and "E" respectively).

Santillo LLC also objects to Andre Rodrigue's assertion, section (e) page 12, paragraph three, made in his letter of January 22, 2018 that Blue Collar has any "claw back" rights against Ms. Santillo. As previously discussed, Blue Collar should be pursuing its former managing partner,

Stephen Santillo, for these very same funds. (See Ms. Santillo's LLC's counsel's response to Andre Rodrigue's letter of January 22, 2018, Exhibit "F" attached hereto).

Santillo LLC further objects to section (e) page 12, paragraph six in its entirety as an irrelevant, fabricated account of Ms. Santillo's conduct, unrelated to the business issues of Blue Collar at hand, which has been recklessly thrown in in this plan statement simply to attempt to manufacture ill will against Ms. Santillo.

Santillo LLC objects to section (e) page 12, last paragraph and the remainder of the paragraph and first full paragraph of page 13. Santillo LLC did not make allegations of "technical violations" of the operating agreement. Ms. Santillo properly insisted on a Blue Collar member meeting, as required, in order to learn of the financial basis and of the other reasons for the timing and the amount of the capital call made by managing member Andre Rodrigue. These are perfectly reasonable requests. When Stephen Santillo, the majority owner failed to agree to participate in the capital call by providing the requested funds, at the conclusion of a properly noticed member meeting, the matter was tabled by Andre Rodrigue. There was no further discussion as to Santillo LLC's participation.

Santillo LLC objects to the final two paragraphs of section (e) on page 13. Over \$400,000 is not owed to the Rodrigue family by Blue Collar. \$140,000 of this so called indebtedness is expired on the face of prescribed, uncollectable promissory notes from years ago. Even if these notes once were evidence of real debt, which is unknown, they cannot now be enforced.

Jacques Rodrigue, Andre Rodrigue and Stephen Santillo, along with GR Restaurants LLC, Blue Dog-Lake Charles LLC and Blue Dog Management LLC were all directly involved in the misappropriation and exploitation of Blue Collar's "Blue Doge Café" Lafayette restaurant in Lake Charles, by pretending that the same ownership involved in the creation of the excellent food, goodwill and business reputation of Blue Collar's Blue Dog Café in Lafayette was the one and the

same owner of the Lake Charles Blue Dog Café. This was always knowingly false. The Lake Charles Blue Dog Café was started up without any authorization or permission from Blue Collar. The value of this claim to Blue Collar could well exceed \$300,000.00 minus reasonable legal fees and costs. The almost twenty (20) year goodwill and business reputation of the Blue Dog Café in Lafayette also has significant value, well over \$200,000.00. Debtor's plan, the content of which is controlled by Jacques Rodrigue, refuses to admit to the value of either. Instead the plan seeks to discharge all current equity interest owners without any payment; part of Jacques Rodrigue's plan to obtain total ownership of Blue Collar without paying for either his own personal liability in the State Court Action, or his own obligation to pay the current equity members of Blue Collar, by simply wiping out their interests.

Blue Collar's management has never been "deadlocked" because of Ms. Santillo's LLC (a 15% minority member) actions. This is absurd. The majority owner and/or the managing member, pursuant to the Blue Collar operating agreement, has always been able to control the management and direction of the Company. Blue Collar was placed in Bankruptcy for improper reasons:

- (1) To negate Mr. Santillo and Ms. Santillo's equity ownership interests in Blue Collar, specifically their property right to the good will and business reputation of Blue Collar;
- (2) To attempt to eliminate the liability to Blue Collar in the State Court Action of those Defendants who are funding this bankruptcy; and
- (3) To obtain for the Rodrigue Brothers the total ownership of Blue Collar's without obligation for the payment to Blue Collar of the value to Blue Collar of either items (1) or (2) above.

5. Objections to "Current and Historical Financial Condition"

Santillo LLC objects to the "Fair Market Value of the Estate Assets" listed on Exhibit B for the following deficiencies:

- Failure to quantify the valuable goodwill of Blue Collar's Blue Dog Café in Lafayette Louisiana developed from 1999 – 2018.

- Failure to quantify the valuable business reputation of Blue Collar’s Blue Dog Café in Lafayette Louisiana developed from 1999 – 2018.
- Objections to the “Accommodated Deprecation (-\$439,253.35) on the April 10, 2018 Balance Sheet without factual basis or documentation;
- Objection to the April 10, 2018 Balance Sheet on Exhibit C-1 “Liabilities and Equities” of \$209,689.04, alleged liabilities to George Rodrigue Estate – Expired, unenforceable, and of (-\$175,449.19) to buy George Restaurants.
- Objection to the entirety of the Rodrigue Succession claims which are undocumented, prescribed, or both.
- Objects to Section (9) page 14, Santillo LLC that “the estate of George Rodrigue has demanded on several occasions a formulization of the relationship in voting” with Blue Collar as to the Blue Dog Café name, of that “Debtor has not responded.” Santillo LLC poses a question, who is writing this paragraph? Counsel supposedly for Debtor? GR Restaurants LLC and Jacques Rodrigue, which is paying the legal bills for “Debtor’s Counsel”? It certainly does not represent a statement protective of Blue Collar.

6. Objections to “litigation against the Debtor and Claims held by the Debtor”

a. Objection to “Derivative Claims Asserted Against and on Behalf of the Debtor

Santillo objects to the Debtor’s counsel’s characterization of the State Court Action which is and always has been asserted for Blue Collar with no need for Blue Collar to pay any legal fees or expenses. Blue Collar has no liability exposure whatsoever and never has. To the extent that “Debtor’s counsel” states that this litigation has cost the Debtor “significant attorney’s fees and costs,” what is really being said is that the target of the controlling members of Blue Collar, who are the targets of this litigation for their clear breaches of fiduciary duties to Blue Collar, - Stephen Santillo and Andre Rodrigue – have improperly used Blue Collar money for their personal legal defenses, running up their unpaid bills and attempting to make them the bills of Blue Collar. Blue Collar should sue Andre Rodrigue for the full return of these funds, and list them and this retained cause of action in Exhibit G, Appendix 1 should list the entirety of such payments or debts for lawyers or expenses as claims Blue Collar has against Stephen Santillo and Andre Rodrigue.

Santillo LLC also objects to the characterization of the derivative action suit. It is not about misappropriation of the Blue Dog Café name. The suit is about a separate Blue Dog Café in Lake Charles holding itself out as the Blue Dog Café of Lafayette “coming to town,” misappropriating Blue Collar’s reputation and intentionally misleading the public into thinking that the ownership and fine food and service of Lafayette’s Blue Dog Café owned by Blue Collar is now available at the Lake Charles as one of the Blue Dog Café’s two locations. This “we have two locations” advertising, which continues to this date, has always been knowingly and intentionally false. Stephen Santillo has admitted responsibility for this marketing misrepresentation. Mr. Santillo has admitted that Blue Collar had never voted to allow the separately owned café in Lake Charles to use their reputation and exploit a non-existent connection between the two (2) restaurants. (See Exhibit “B” attached hereto). There is substantial liability and damages of those defendants owed to Blue Collar by this misleading advertising and conversion of Blue Collar’s goodwill and business reputation. However, because those that are behind this scheme, Stephen Santillo, Andre Rodrigue, and Jacques Rodrigue are the same individuals who are in control of Blue Collar and voted Blue Collar into Bankruptcy, it is not wonder that Bankruptcy “Debtor’s Counsel” at their direction is attempting to scuttle this case among other valuable property rights of Blue Collar. The asset value of this litigation to Blue Collar is being intentionally ignored.

7. “The Debtor’s Claims”

This is a repeat of the false “story” written by Jacques Rodrigue previously objected to in this response to Section (e), pages 11 and 12 of this disclosure statement. There was no settlement at any time between GR Restaurants and Santillo LLC. In Louisiana, as the great majority of counsel other than Jacques Rodrigue and his attorney know full well, a written settlement document with the terms of the settlement is required and must be executed by all the parties before

a binding settlement exists. Santillo LLC refers the Court to its response to GR Restaurants abusive lawsuit. (Attached hereto as Exhibit “E”).

The so-called Debtor claim against Santillo LLC and Suzanne Savoy Santillo is also a fiction. As previously discussed, if anyone owes a return of monies paid by Stephen Santillo in the manner which he precisely designed in the Consent Judgment between them, it is Stephen Santillo. (See Exhibit “G,”). Blue Collar’s claims against Stephen Santillo and Stephen Santillo, APL, mentioned here are missing from Exhibit “G” Appendix 1 to Debtor’s plan. They should be added to that section by Debtor’s own acknowledgment.

8. Objections to “The Chapter Plan of Reorganization”

As in the objections found above to the Plan Summary, section two, Santillo LLC objects to the professional fee claims and the treatment of Class 7 – Equity Interest claims for the reasons previously stated.

9. “Discharge of Claims” Page 24

Santillo LLC objects to the termination of all equity interests without proper assessment and payment of their property rights to the goodwill and business reputation of Blue Dog Café Lafayette as determined by a licensed CPA in business valuations.

10. Objection to Section 10.8

Santillo LLC specifically objects to the release of Blue Collar’s claims in the Derivative Action (fully explored in the attached Exhibit “B”) which should be maintained and added to Exhibit “G” as a “Retained Cause of Action of Blue Collar.” The stay of this litigation should be being lifted to allow Santillo LLC’s counsel to pursue a significant recovery for Blue Collar at no costs or legal fees to Blue Collar as has always been the case.

11. Objections to Stephen Santillo's Amended Declarations

The "Amended Declaration of Stephen Santillo on behalf of Stephen Santillo, APLC, Member of the Debtor, in support of First Day Motions" is another regurgitation of the numerous false or misrepresented claims asserted against Santillo LLC and Suzanne Savoy Santillo in the Disclosure Statement. Santillo LLC makes the following objections to this declaration:

Item II: Santillo, LLC did not receive Blue Collar distributions in the amount of \$72,225.00. Santillo LLC received \$10,425.00 in 2016 and nothing since;

Suzanne Santillo did not receive any compensation from Blue Collar in the amount of \$61,800.00 or any other amounts ever. Any monies she received was from Stephen Santillo personally. If he improperly directed those payments through Blue Collar, as its majority owner and managing member, Debtor's action is against Stephen Santillo, not Ms. Santillo.

Items 13 through 38, contain a word for word adoption of the Disclosure Statement's misrepresentation of numerous facts in Section (e) "Events Leading to Filing Chapter 11 Case". Santillo LLC has already listed numerous objections to that section which will not be repeated here.

Interestingly, Stephen Santillo adopts and "declares" knowledge of numerous items which he clearly has no first hand personal knowledge of whatsoever. He is simply signing whatever is put in front of him. Those paragraphs of his amended declaration of which Stephen Santillo knows nothing are:

- 22: The actions of Suzanne Santillo
- 24: The actions of Suzanne Santillo
- 25: In its entirety
- 30: Anything other than his own actions
- 31: In its entirety

- 32: In its entirety, to the contrary, Mr. Santillo knows this paragraph to be demonstrably false in certain key respects, such as the alleged debt owed to the Rodrigue family and the so called “deadlock” of the management of Blue Collar.
- 36: Stephen Santillo knows, as an attorney, that these claims of the Rodrigue succession are prescribed and are not a liability of Blue Collar.

Dated: May 25, 2018

Respectfully submitted,

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