Case 25-80109-sgj11 Doc 315 Filed 06/25/25 Entered 06/25/25 23:22:52 Desc Main Document Page 1 of 5

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FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

IN THE UNITED STATES BANKRUPTCY COURT

In	re	:
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HARVEST SHERWOOD FOOD DISTRIBUTORS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25- 25-80109 (SGJ)

(Jointly Administered)

¹ The debtors in these chapter 11 cases, together with the last four digits of each debtor's federal tax identification number, are Del Mar Holding LLC (9207), Del Mar Acquisition Inc. (8866), Surfliner Holdings, Inc. (9456), Harvest Sherwood Food Distributors, Inc. (8995), Harvest Meat Company, Inc. (9136), LAMCP Capital, LLC (N/A), Western Boxed Meats Distributors, Inc. (8735), Cascade Food Brokers, Inc. (1389), Hamilton Meat, LLC (6917), SFD Acquisition LLC (8995), SFD Transportation Corp. (1551), Sherwood Food Distributors, L.L.C. (4375), and SFD Company LLC (1175). The Debtors' service address is c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd., Beaverton, OR 97005.

HARVEST SHERWOOD FOOD DISTRIBUTORS, INC.'S BRIEF IN OPPOSITION TO SPROUTS FARMERS MARKET'S EMERGENCY MOTION TO STRIKE PORTIONS OF THE DECLARATION OF ERIC KAUP

Harvest Sherwood Food Distributors, Inc. (together with its affiliated debtors, the "<u>Debtors</u>"), by and through undersigned counsel, respectfully submits this Brief in Opposition to the emergency motion of Sprouts Farmers Market, Inc. and SFM, LLC d/b/a Sprouts Farmers Market (together, "<u>Sprouts</u>") to strike portions of the declaration of Eric Kaup [Docket No. 277] (the "<u>Declaration</u>" and such motion, the "<u>Motion</u>"):

1. The Motion is yet another in a long line of distracting, wasteful, and meritless motions that Sprouts has filed as part of a litigation strategy focused on depleting the estate's resources to avoid paying the over \$40 million that it owes to the Debtors. This time, on three-hours' notice and without any meaningful attempt to confer, Sprouts has filed a lengthy motion to strike a declaration that the Debtors have not even introduced into evidence. Sprouts did so shortly after untimely filing its reply brief in support of its meritless abstention motion, which it claimed it filed late because it had been under "pressure . . . with all the filings due." The Debtors will not take the bait and will respond only briefly to the Motion.

2. First, to the extent that either party seeks to introduce evidence that another party finds objectionable, the Court can and should address such issues at the hearing. What Sprouts is seeking is akin to an advisory ruling.

3. Second, Sprouts is simply wrong in asserting that Mr. Kaup's Declaration "likely" is based on hearsay. As Mr. Kaup's Declaration makes clear, prior to his role as the Debtors' Chief Restructuring Officer, he "provided strategic consulting services for the Debtors in connection with [his] role as Executive Vice President, Chief Commercial Officer, and Special Counsel [] of Hilco Global, including evaluating the Debtors' contemplated winddown and asset disposition."

2

Case 25-80109-sgj11 Doc 315 Filed 06/25/25 Entered 06/25/25 23:22:52 Desc Main Document Page 3 of 5

Declaration, \P 4. From that role, Mr. Kaup has personal knowledge about the location of the Debtors' assets that are more than sufficient to draw non-hearsay conclusions about the decentralized nature of the Debtors' business and its geographic footprint.

4. Third, as this Court knows, it is routine in bankruptcy proceedings for transitional corporate officers, including chief restructuring officers such as Mr. Kaup, to provide testimony based on their review of books and records and other knowledge gleaned during their time with the company. This is not a jury trial, it is a venue motion. Even if some of the background information in Mr. Kaup's Declaration technically could be considered hearsay, which the Debtors do not concede, the Court would have discretion to consider it for these limited purposes. *See, e.g., Rabaev v. CBH20 Gen. Partner, LLC*, No. CV 22-0634, 2022 WL 1203733, at *3 (E.D. Pa. Apr. 22, 2022) ("[A] court can consider exhibits that would not be admissible in evidence in a motion to transfer venue."); *LP Digital Sols. v. Signifi Sols., Inc.*, 921 F. Supp. 2d 997, 1006 (C.D. Cal. 2013) ("The Court overrules defendant's objections on hearsay grounds to Lopez's testimony, as the evidence need not be admissible for purposes of this [venue] motion.").

5. Fourth, Sprouts should be held to account for its gamesmanship. At the same time Sprouts was preparing the Motion, it was asking Harvest to stipulate to the admissibility of information that it had asked Mr. Kaup to verify during his deposition. Mr. Kaup is the only company witness on either party's witness list and so Sprouts has no alternative basis to authenticate or prove a hearsay exception for the information at issue. Notwithstanding Sprouts' contention that Mr. Kaup's knowledge is "likely" based on hearsay, Harvest has agreed to the stipulations that Sprouts requested. Sprouts should not be allowed to have its organic cake and eat it too.

For these reasons, the Debtors respectfully request that the Court deny the Motion.

Dated: June 25, 2025 Dallas, Texas

/s/ Chelsea McManus

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<u>Certificate of Service</u>

I certify that on June 25, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Chelsea McManus

Chelsea McManus