

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

ADVANTAGE HOLDCO, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 20-11259 (JTD)

(Jointly Administered)

Hearing Date: June 3, 2020 at 10:00a.m.

Objection Deadline: At The Hearing

**DEBTORS' MOTION FOR ORDER SHORTENING THE TIME FOR NOTICE OF THE HEARING TO CONSIDER BIDDING PROCEDURES IN DEBTORS' MOTION FOR ENTRY OF (I) AN ORDER (A) AUTHORIZING AND APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF THE DEBTORS' ASSETS, (B) AUTHORIZING AND APPROVING PROCEDURES RELATED TO THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE, (C) SCHEDULING AUCTION AND SALE APPROVAL HEARING, (D) APPROVING THE FORM AND MANNER OF THE NOTICE OF THE SALE HEARING, AND (E) GRANTING RELATED RELIEF, AND (II) AN ORDER (A) APPROVING THE SALE OF THE DEBTORS' ASSETS, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE, AND (C) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) contemporaneously herewith have filed the *Debtors’ Motion for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of the Debtors’ Assets, (B) Authorizing and Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with the Sale, (C) Scheduling Auction and Sale Approval Hearing, (E) Approving the Form and Manner of the Notice of the Sale Hearing, and (F) Granting Related Relief, and (II) an Order (A) Approving the Sale of the Debtors’ Assets, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and*

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Advantage Holdco, Inc. (4832); Advantage Opco, LLC (9101); Advantage Vehicles LLC (6217); E-Z Rent A Car, LLC (2538); Central Florida Paint & Body, LLC (1183); Advantage Vehicle Financing LLC (7263); and RAC Vehicle Financing, LLC (8375). The Debtors’ address is 2003 McCoy Road, Orlando, Florida 32809.

*Unexpired Leases in Connection with the Sale, and (C) Granting Related Relief* (the “**Sale and Bidding Procedures Motion**”).<sup>2</sup> The Debtors hereby move the Court (the “**Motion to Shorten**”), pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rules 6004-1(c) and 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), for an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), shortening the time for notice of the hearing to consider approval of the Bidding Procedures Order (as defined herein) so that the same may be considered on or before June 9, 2020. In support of this Motion, the Debtors have filed the *Declaration of Alfred C. Farrell, Chief Financial Officer of Advantage Holdco, Inc. in Support of Chapter 11 Petitions and First Day Pleadings* (the “**First Day Declaration**”), which is incorporated herein by reference. In further support of the Motion to Shorten, the Debtors respectfully state as follows:

### **BACKGROUND**

1. As detailed in the First Day Declaration, the COVID-19 global pandemic exacerbated the Debtors’ liquidity issues and left car rental companies almost overnight with a decline of more than 95% of previous revenues. Government mandated travel restrictions, including the closure of the United States border in March 2020 and stay-in-place orders, together with growing social isolation and travel-related fears, brought domestic and international travel to a near-halt. The Debtors’ business was particularly hard hit by the decline in air travel since most of the Debtors’ rental locations are located at airports. As travel restricted, car rental demands suddenly and dramatically reduced. In addition, to decreased rentals, the Debtors have incurred additional unforeseen expenses. In certain locations, lower car rental demand has resulted in airport parking

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<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale and Bidding Procedures Motion.

lots at capacity requiring the Company (and other rental companies) to rent additional off-site parking to store vehicles. In addition, the maintenance for return vehicles has become more costly as safety and cleanliness standards have increased to avoid the spread of COVID-19. While the Debtors have taken steps to preserve liquidity, including reducing its workforce and auto fleet, the unprecedented challenges presented by COVID-19 have battered the Debtors' financial and operational performance to the point that continuing as a going concern is in question.

2. After careful and extensive consideration of all available alternatives and having given due consideration to the interests of all stakeholders, and in a final effort to provide some value to their stakeholders, the Debtors seek this Court's approval of an expedited auction and sale process. Pursuant to the Sale and Bidding Procedures Motion, the Debtors seek, among other things, entry of an order (the "**Bidding Procedures Order**"): (a) authorizing and approving the Bidding Procedures; (b) scheduling an Auction for the Assets, if necessary; (c) scheduling the Sale Hearing to consider approval of the Sale; (d) approving procedures related to the assumption and assignment of certain of the executory contracts and unexpired leases; (e) approving the form and manner of notice thereof; and (f) granting related relief.

3. A rapid sale process is necessary to preserve the remaining value of the Debtors' marketable assets and provide assurances to existing vendors, customers, and employees that they can and should continue to do business with, or remain employed by, the Debtors as the process unfolds.

### **RELIEF REQUESTED**

4. By this Motion to Shorten, the Debtors seek entry of an order shortening the notice period with respect to the hearing (the "**Bidding Procedures Hearing**") to consider entry of the

Bidding Procedures Order so that the matter can be heard, subject to the Court's availability, on or before June 9, 2020, with objections due June 8, 2020.

### **BASIS FOR RELIEF**

5. Bankruptcy Rule 2002(a) requires twenty-one (21) days' notice prior to a hearing on the Bidding Procedure Motion. *See* Fed. R. Bankr. P. 2002(a). Pursuant to Local Rule 9006-1(e), such period may be shortened by order of the Court upon written motion specifying the exigencies supporting shortened notice. *See* Del. Bankr. L.R. 9006-1(e). Local Rule 6004-1(c) further provides, in pertinent part, that the "[t]he Court will only schedule a hearing to consider approval of bidding and sale procedures in accordance with the notice procedures set forth in Del. Bankr. L.R. 9006-1, unless the requesting party files a motion to shorten notice which may be heard at the first hearing in the case and present evidence at the hearing of compelling circumstances." *See* Del. Bankr. L.R. 6004-1(c).

6. The Debtors believe that the prompt sale of their assets, which includes a hearing on the Bidding Procedures Order on shortened notice, will maximize value to the greatest extent possible and generate the highest possible recoveries in the most efficient and expeditious manner possible, which is to the benefit of their creditors and stakeholders. As a result, the Debtors respectfully submit that compelling circumstances and good cause exist to shorten the notice period for the Bidding Procedures Hearing. In addition, a hearing date on or before June 9, 2020 is a required milestone under the debtor-in-possession financing.

7. To mitigate any potential prejudice resulting from the shortened notice and objection periods, the Debtors are serving the Sale and Bidding Procedure Motion by either email, facsimile or overnight mail on the Notice Parties (as defined below). In addition, to provide as much notice as possible of the expedited sale timeframe requested as part of the Bidding Procedures in the Sale

and Bidding Procedures Motion, the Debtors propose to serve, within three (3) business days of entry of the Proposed Order, a sale notice, on the Notice Parties and all of the Debtors' other known creditors and equity security holders.

8. The Debtors submit that the proposed Objection Deadline and the expedited service of the Sale and Bidding Procedures Motion, which sets forth the Debtors' proposed dates for the Bidding Procedures Hearing and the Objection Deadline, are sufficient to ensure that all interested parties will have adequate notice of the relief requested in the Bidding Procedures Order and an adequate opportunity to respond thereto. Furthermore, the Debtors will serve any order approving this Motion to Shorten within two (2) days of its entry on the Notice Parties.

9. In light of the foregoing, the Debtors submit that consideration of the Bidding Procedures Order on shortened notice is justified under the circumstances and is in the best interests of the Debtors, their estates, creditors, and other parties in interest.

#### **NOTICE**

10. Notice of this Motion will be given to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the United States Attorney for the District of Delaware; (iii) the Internal Revenue Service; (iv) the creditors listed on the Debtors' consolidated list of thirty creditors holding the largest unsecured claims; (v) the counterparties to the Debtors' vehicle financing facilities and leases; (vi) the Debtors' postpetition lender; (vii) Aberdeen Standard Investments, Inc.; and (viii) all other parties entitled to notice pursuant to Local Rule 9013-1(m). The Debtors submit that, under the circumstances, no other or further notice is required.

11. A copy of this Motion is available on (i) the Court's website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov), and (ii) the website maintained by the Debtors' proposed Claims and Noticing Agent, Epiq: <http://dm.epiq11.com/Advantage>.

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: May 29, 2020  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Patrick J. Reilley  
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*Proposed Counsel to the Debtors  
and Debtors in Possession*

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Hearing Date: June 3, 2020 at 10:00a.m.

Objection Deadline: At The Hearing

**NOTICE OF HEARING ON DEBTORS' MOTION TO SHORTEN**

**PLEASE TAKE NOTICE** that, on May 29, 2020, the *Debtors' Motion for Order Shortening the Time for Notice of the Hearing to Consider Bidding Procedures in Debtors' Motion for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of the Debtors' Assets, (B) Authorizing and Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases In Connection with the Sale, (C) Scheduling Auction and Sale Approval Hearing, (D) Approving the Form and Manner of the Notice of the Sale Hearing, and (A) Granting Related Relief, and (II) an Order (A) Approving the Sale of the Debtors' Assets, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale, and (C) Granting Related Relief* (the "**Motion to Shorten**"), was filed with the Court.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Motion to Shorten (the "**Hearing**") will be held on **June 3, 2020 10:00 a.m. (Prevailing Eastern Time)** before the Honorable John T. Dorsey, United States Bankruptcy Court for the District of Delaware, 5th Floor, Courtroom No. 6, 824 North Market Street, Wilmington, Delaware 19801.

**PLEASE TAKE FURTHER NOTICE** that, any objection or response to the relief sought in the Motion to Shorten may be made at the Hearing.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION TO SHORTEN WITHOUT FURTHER NOTICE OR HEARING.**

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Dated: May 29, 2020  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Patrick J. Reilley

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*Proposed Counsel to the Debtors  
and Debtors in Possession*



**EXHIBIT A**

**Proposed Form of Order**

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AND APPROVING PROCEDURES RELATED TO THE ASSUMPTION AND  
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NOTICE OF THE SALE HEARING, AND (F) GRANTING RELATED RELIEF, AND  
(II) AN ORDER (A) APPROVING THE SALE OF THE DEBTORS' ASSETS,  
(B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT  
OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES  
IN CONNECTION WITH THE SALE, AND (C) GRANTING RELATED RELIEF**

Upon consideration of the motion (the “Motion to Shorten”)<sup>2</sup> of the Debtors for entry of an order providing that the applicable notice period for the Sale and Bidding Procedures Motion, as it relates to the hearing to consider the Bidding Procedures, be shortened pursuant to Local Rule 9006-1(e); and this Court having determined that granting the relief requested in the Motion to Shorten is appropriate; and it appearing that due and adequate notice of the Motion to Shorten has been given under the circumstances, and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings given to them in the Sale and Bidding Procedures Motion or the Motion to Shorten, as applicable.

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion to Shorten is granted, as set forth herein.
2. Approval of the Bidding Procedures Order shall be considered on June \_\_, 2020 at \_\_:\_\_.m (ET) and any objection or response to such relief requested shall be filed by June \_\_, 2020 at \_\_:\_\_.m (ET).
3. The Debtors shall serve a copy of this Order on the Notice Parties within two days.
4. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.