

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

LEISURE INVESTMENTS HOLDINGS INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 25-10606 (LSS)

(Jointly Administered)

Re: Docket Nos. 832, 867, 892

**STATEMENT OF KEYS HOTEL OPERATOR LLC IN SUPPORT OF DEBTORS'
REPLY IN SUPPORT OF THE DEBTORS' FIFTH NOTICE OF PROPOSED
MISCELLANEOUS ANIMAL ASSET TRANSFERS**

Keys Hotel Operator LLC ("Licensor"), through its undersigned counsel, respectfully submits the following statement in support of *Debtors' Reply in Support of the Debtors' Fifth Notice of Proposed Miscellaneous Animal Asset Transfers* [D.I. 892] ("Debtors' Reply"), as follows:

1. Licensor, as successor to Keys Hotel Operator, Inc., doing business as Hawks Cay Resort, as licensor, and debtor Dolphin Connection, Inc. ("Dolphin Connection"), as licensee, are parties to that certain written License Agreement dated October 2021 (the "License Agreement"), granting Dolphin Connection a limited license to use a portion of the Hawks Cay Resort, located

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are as follows: Leisure Investments Holdings LLC (7260); Triton Investments Holdings LLC (6416); MS Leisure Company (7257); Icarus Investments Holdings LLC (2636); Ejecutivos de Turismo Sustentable S.A. de C.V. (5CA4); Dolphin Capital Company, S. de R.L. de C.V. (21H8); Dolphin Leisure, Inc. (7073); Dolphin Austral Holdings, S.A. de C.V. (6A13); Aqua Tours, S.A. de C.V. (6586); Viajero Cibernético, S.A. de C.V. (1CZ7); Promotora Garrafón, S.A. de C.V. (0KA2); Marineland Leisure, Inc. (7388); GWMP, LLC (N/A); Gulf World Marine Park, Inc. (0348); and The Dolphin Connection, Inc. (0322). For the purposes of these chapter 11 cases, the address for the Debtors is Leisure Investments Holdings LLC, c/o Riveron Management Services, LLC, 600 Brickell Avenue, Suite 2550, Miami, FL 33131.



at 61 Hawks Cay Boulevard, Duck Key, Monroe County, Florida (the “Licensed Premises”) for the operation of a “dolphin encounter” attraction for resort guests and the public.

2. On or about March 31, 2025 (the “Petition Date”), Leisure Investment Holdings LLC, along with fourteen (14) affiliates, including licensee Dolphin Connection, Inc. (collectively, the “Debtors”), filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). No trustee or examiner has been appointed and Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. On July 2, 2025, Debtors filed *Debtors’ Motion for (I) an Order Establishing Bidding Procedures and Granting Related Relief and (II) an Order or Orders Approving the Sale of the Assets* [D.I. 299] (the “Bidding Procedures Motion”).

4. On July 29, 2025, the Court entered its order approving the Bidding Procedures Motion [D.I. 402] (the “Sale Procedures Order”), including, among other things, the Bidding Procedures.

5. On September 19, 2026, pursuant to the Sale Procedures Order, Debtors filed their *Notice of Executory Contracts and Unexpired Leases That May Potentially Be Assumed and Assigned in Connection with the Sale of the Debtors’ Assets and the Proposed Cure Costs with Respect Thereto* [D.I. 535], identifying the License Agreement, as well as two other agreements with Licensor (a Food Service Agreement and Preferential Food Pricing Contract) for potential assumption and assignment to a successful bidder in connection with the proposed “Other Florida Assets Sale Transaction.”

6. As detailed in Debtors’ Reply, Debtors, aided by Greenhill & Co., LLC (“Greenhill”) and with lender support, engaged in a comprehensive marketing and sale process

that ultimately failed to produce a viable and actionable bid for the going concern sale of the Dolphin Connection assets at the Licensed Premises. *See* Debtors’ Reply at ¶¶ 4, 11-12, 16-17. To facilitate continued negotiations, Licensor previously agreed to extend the Debtors’ time to assume or reject the License Agreement to December 31, 2025 [D.I. 664].

7. After a marketing and sale process that extended over five months, Debtors then “pivoted” to efforts to transfer the Transferred Animals² to a reputable, accredited party. Debtors’ Reply at ¶ 18. To advance this transition, Debtors filed *Debtors’ Fifth Notice of Proposed Miscellaneous Animal Asset Transfers* [D.I. 832] (“Fifth Transfer Notice”) on December 22, 2025, seeking approval of the transfer of the Transferred Animals to Sea World LLC (“Transferee”). In furtherance of this contemplated Transfer, Licensor agreed to further extend the deadline to assume or reject the License Agreement to January 31, 2026 [D.I. 852] to facilitate the orderly wind down of Debtors’ operations and the logistics involved in the removal of the Transferred Animals from the Licensed Premises. Indeed, Debtors’ Reply acknowledges that “Debtors are facing an imminent deadline by which the [License Agreement] will be deemed rejected by operation of law” Debtors’ Reply at ¶ 23.

8. It was only after the filing of the Fifth Transfer Notice that Danay Voiles, who had previously expressed interest in acquiring the Dolphin Connection assets (Debtors’ Reply at ¶ 19), re-engaged with Greenhill, expressing her continued interest in the submission of a bid.

9. On January 6, 2026, Ms. Voiles submitted correspondence to the Court [D.I. 867], which Debtors have treated as an objection to the Fifth Transfer Notice. Ms. Voiles’ letter expressed her continuing interest in acquiring the “facilities, assets, and lease associated with

² Capitalized terms not otherwise defined shall have the same meaning as set forth in Debtors’ Reply.

Dolphin Connection at Hawks Cay Resort,” while acknowledging that Licensor is unwilling to renegotiate the terms of the License Agreement. Ms. Voiles’ letter was accompanied by a letter from Kelly Fischbach, now the zoological director for the Marineland Dolphin Adventure (<https://mynews13.com/fl/orlando/news/2026/01/21/marineland-dolphin-adventure-under-new-ownership>) following its acquisition from Debtors. Ms. Fischbach’s letter expresses concerns regarding the welfare of the Transferred Animals and requests that “the Court consider a review of the actions and decision-making of Hawks Cay Resort and Riveron Management Services” and whether all “reasonable alternatives to transport and liquidation have been fully explored.” [D.I. 867].

10. The Voiles and Fischbach objections, while appearing well-intentioned, fail to acknowledge the following factual and procedural realities:

(a) Debtors conducted an extensive marketing and sale process with respect to the Dolphin Connection assets over many months and failed to obtain an actionable bid, taking onto account “cure costs,³ legal fees, broker fees, and other transaction costs (Debtors’ Reply at ¶ 18);

(b) Ms. Voiles was given a “full and fair opportunity to bid for the Debtors’ assets” and failed to do so (Debtors’ Reply at ¶ 25), even after Debtors extended deadlines to give her that an additional opportunity;

(c) The License Agreement, by its terms, expires October 31, 2026 and Licensor is not legally obligated to extend or modify its terms (and has declined to do so) for any party;

³ Licensor’s previous *Response and Reservation of Rights of Keys Hotel Operator LLC to Debtors’ Notice of Executory Contracts and Unexpired Leases That May Be Potentially Assumed and Assigned* [D.I. 565] asserted then-current monetary arrearages of \$167,375.19, acknowledged by Debtors, that were due as part of the “cure” of existing defaults in connection with any proposed assumption and assignment of the License Agreement, together with ongoing attorneys’ fees, as well as a nonmonetary default relating to Debtors’ insurance coverage.

(d) Any proposed assignment of the License Agreement would require addressing the objections raised by the *Limited Objection of Keys Hotel Operator Inc. to Debtors' Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing, etc.* [D.I. 146] that, while the License Agreement is included in the bankruptcy estate, it is not assignable under applicable Florida law;

(e) Debtors' time to assume or reject the License Agreement, as extended, currently expires January 31, 2026, and the License Agreement will be deemed rejected as of that date, triggering Debtors' duty to surrender the Licensed Premises to Licensor (11 U.S.C. § 365(d)(4));

(f) Dolphin Connection is no longer operating, having closed to the public on or about January 12, 2026, with Debtors continuing to feed and care for the Transferred Animals pending the proposed Transfer, while generating no revenue to offset such costs (and, with no revenue being generated, Licensor is no longer receiving compensation for this continued occupancy);

(g) Even if Debtors received a viable going concern proposal and could overcome the legal objection regarding the assignability of the License Agreement, cure existing defaults, and demonstrate adequate assurance of future performance (11 U.S.C. § 365(f)(2)(B)), given the scheduled expiration date of the License Agreement only nine months from now, the Transferred Animals would still have to be relocated later this year (*see* Debtors' Reply at ¶6), with no assurance that Transferee, or any other responsible third party, would be able and willing to accept the Transferred Animals, and bear the costs and responsibility for transport, at that time.

11. The proposed Transfer is a more than appropriate exercise of the Debtors' business judgment. As asserted by Debtors, "the coordinated transfer of the Transferred Animals to a responsible third party is the only viable option for mitigating substantial continued obligation[s] and cost and effectuating a prompt disposition of the Dolphin Connection operations." Debtors'

Reply at ¶ 21. Under the facts and circumstances that currently exist in these Chapter 11 Cases, neither Ms. Voiles or Ms. Fischbach have presented any realistic alternatives to the proposed Transfer. Their objections should be summarily overruled and the proposed Transfer approved as soon as possible to avoid further delay.

Dated: January 26, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Laurel D. Roglen

Leslie C. Heilman (DE 4716)

Laurel D. Roglen (DE 5759)

Nicholas J. Brannick (DE 5721)

Margaret Vesper (DE 6995)

BALLARD SPAHR LLP

919 North Market Street, 11th Floor

Wilmington, DE 19801-3034

Tel: (302) 252-4465

Fax: (302) 252-4466

Email: heilmanl@ballardspahr.com

roglenl@ballardspahr.com

brannickn@ballardspahr.com

vesperm@ballardspahr.com

and

Ivan M. Gold (admitted *pro hac vice*)

ALLEN MATKINS LECK GAMBLE

MALLORY & NATSIS LLP

Three Embarcadero Center, 12th Floor

San Francisco, CA 94111

Telephone: (415) 837-1515

Facsimile: (415) 837-1516

E-mail: igold@allenmatkins.com

Attorneys for Keys Hotel Operator LLC