

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

In re:

Sand Castle South Timeshare Owners
Association, Inc.,

Debtor.

Case No. 19-02764-jw

Chapter 11

**SUPPLEMENT TO THE STATEMENT OF NEXSEN PRUET, LLC PURSUANT TO
RULE 2014 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Julio E. Mendoza, Jr., who, being duly sworn, deposes and says that:

1. This statement is provided to supplement the Statement of Nexsen Pruet, LLC Pursuant to Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Rule 2014 Statement”) that I provided on behalf of Nexsen Pruet, LLC (“Nexsen Pruet”) in support of the Application of Debtor-in-Possession for Authorization to Employ Counsel (the “Employment Application”) filed on May 22, 2019 [Doc 4]. The Rule 2014 Statement [Doc 4-1] was filed with the Employment Application.

2. As stated in the Rule 2014 Statement, I am a duly licensed and practicing attorney in the State of South Carolina, I am a member of Nexsen Pruet, and I am authorized to make this statement on behalf of Nexsen Pruet.

3. In the Rule 2014 Statement, I disclosed in paragraph 5(b) that Nexsen Pruet has represented Zealandia Holding Company, Inc. (“Zealandia Holding”), which is an affiliate of LaTour Hotels and Resorts, Inc. (“LaTour”), the management company used by the Debtor, Resort Travel and Xchange, Inc. (“Resort Travel and Xchange”), which provides timeshare booking and

exchange services to the Debtor, and Zealandia Capital, Inc. (“Zealandia Capital”), which provides collection services to the Debtor. The Debtor is not part of the corporate structure of Zealandia Holding and its affiliates, and is instead an independent entity created for and owned by the timeshare owners pursuant to the Master Deed for Sand Castle South Horizontal Property Regime recorded in the Registrar of Deeds for Horry County, South Carolina on June 16, 2006 at Deed Book 3114, Page 478, *et seq.* (the “Master Deed”), and the Supplemental Declaration for Sand Castle South Timeshare Ownership Plan dated May 4, 2007, recorded on June 22, 2007 in the Registrar of Deeds for Horry County, South Carolina at Deed Book 3255, Page 567 (the “Supplemental Declaration for Timeshare Ownership Plan”).

4. Nexsen Pruet has represented, and may now represent, Zealandia Holding and/or its affiliates in other matters unrelated to this case and unrelated to the Debtor. These other matters typically involve the defense of claims made against Zealandia Holding and/or one or more of its affiliates. The aggregate fees and expenses of Nexsen Pruet in these other matters is significantly less than one percent (1.0%) of Nexsen Pruet’s annual revenues.

5. Zealandia Holding and its affiliates understand that Nexsen Pruet represents the Debtor in this case, and that, if necessary or appropriate, Nexsen Pruet may take action or positions on behalf of the Debtor which are adverse to Zealandia Holding, LaTour, Resort Travel and Xchange and/or Zealandia Capital, or other affiliates if applicable.

6. The source of the retainer paid by the Debtor to Nexsen Pruet prior to the commencement of this case was a loan from LaTour to the Debtor. LaTour made the loan with the understanding that the Debtor would use the loan for the retainer to secure Nexsen Pruet’s representation of the Debtor, and not any other party.

/s/ Julio E. Mendoza, Jr.

Julio E. Mendoza, Jr., Court ID No. 3365

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May 29, 2019
Columbia, South Carolina