

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

CARROLS CORP.,

Appellant,

Case No. 24-cv-277-pp

v.

OFFICE OF THE US TRUSTEE,

Appellee.

CARROLS LLC,

Appellant,

Case No. 24-cv-278-pp

v.

OFFICE OF THE US TRUSTEE,

Appellee.

ORDER DISMISSING APPEALS

On March 1, 2024, Robert and Willie Johnson filed separate appeals from a February 23, 2024 order entered by Chief Judge G. Michael Halfenger in the United States Bankruptcy Court for the Eastern District of Wisconsin. Dkt. No. 1-1 at 3, 4. The court will dismiss both appeals.

I. Background

On February 9, 2024, someone purporting to act on behalf of Carrols Corp. filed in the United States Bankruptcy Court for the Eastern District of Wisconsin a Chapter 15 Petition for Recognition of a Foreign Proceeding. In re

Carrols Corp., Case No. 24-20601-gmh (Bankr. E.D. Wis.). The petition listed Restaurant Brands International as the foreign representative; no one signed the petition, but under “signature of attorney,” someone typed in “Willie Johnson of ATEM Farms, 65 Sidney Street in Buffalo, New York.”

A second, identical petition was filed as In re Carrols LLC, Case No. 24-20602-gmh (Bankr. E.D. Wis.). On February 12, 2024, Judge Halfenger issued an order outlining the deficiencies with the filings and requiring Restaurant Brands International, the purported foreign representative, to cure the list of deficiencies no later than February 22, 2024 or the court would dismiss the case without further notice or hearing. Carrols Corp., Case No. 24-20601, Dkt. No. 7 at 2-4; Carrols LLC, Case No. 24-20602, Dkt. No. 8 at 2-4. Judge Halfenger made clear that all the documents and information must be filed by counsel authorized to practice in this district. Id. at 4.

The same day, the United States Trustee filed motions to dismiss and to expedite on the grounds that the petitions were not authorized by the purported debtors and were filed for an improper purpose. Carrols Corp., Case No. 24-20601, Dkt. Nos. 6, 8; Carrols LLC, Case No. 24-20602, Dkt. Nos. 6, 7. Judge Halfenger promptly granted the motions to expedite and required that any objection be filed no later than February 22, 2024 or the cases would be dismissed without a hearing. Id. No one complied with the court’s order or otherwise filed an objection to the motion to dismiss. Id. at 5. Judge Halfenger issued orders on February 23, 2024, dismissing both cases. Carrols Corp., Case No. 24-20601, Dkt. No. 15; Carrols LLC, Case No. 24-20602, Dkt. No. 13.

On March 1, 2024, Robert Johnson and Willie Johnson filed notices of appeal; Robert Johnson also filed an application for payment of unclaimed funds in the amount of \$999,999,999.99 in Carrols Corp., Case No. 24-20601, Dkt. Nos. 19, 20. Four days later, Judge Halfenger issued an order emphasizing that there are no unclaimed funds because the court dismissed the case based on the failure to contest the trustee's motion and the incomplete nature of the filings. Id., Dkt. No. 25 at 3. Judge Halfenger, who speculated that the actions had been taken "in bad faith to harass Carrols Corp.," ordered that by March 22, 2024, Willie Johnson and Robert Johnson must show cause, in writing, why they should not be held in contempt and sanctioned. Id. Judge Halfenger warned that if Robert Johnson and Willie Johnson fail to file a response, the court will find them both in contempt for filing the application for payment of unclaimed funds and will bar them from filing any future documents in this court. Id.

II. Appeals

The court has significant concerns about the two separate appeals taken from Judge Halfenger's February 23, 2024 order. First, Willie Johnson and Robert Johnson are not authorized to practice in this district. Legal entities, such as corporations and limited liability companies, must appear through counsel admitted to practice in the district. General Local Rule 83(b), (d) (E.D. Wis.). Second, as Judge Halfenger pointed out, Robert Johnson and Willie Johnson failed to pay the filing fees associated with the appeal. Federal Rule of Bankruptcy Procedure 8003(a)(3)(c). Third, they failed to file and serve the

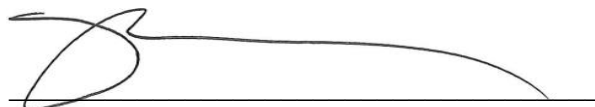
designation of items to be included in the record and a statement of issues as required under Fed. R. Bank. P. 8002(d).

The court shares Judge Halfenger's concerns regarding the petitions filed by Robert Johnson and Willie Johnson in the Eastern District of Wisconsin. Similar petitions (and appeals) have been filed by the same individuals in the Districts of Alaska and Colorado, as well as the Central District of Illinois. See *In re Carrols Corp.*, Case No. 24-00030 (Bankr. D. Ak.); *In re Carrols Corp.*, Case Nos. 24-70090, 24-70091 (Bankr. C.D. Ill.); *In re Carrols Corp.*, Case No. 24-10540 (Bankr. D. Colo.). The court reserves the right to consider sanctions under either or both Rules 83(f) and Rule 11 of the Federal Rules of Civil Procedure, if warranted.

The court **ORDERS** that the appeals from *In re Carrols Corp.*, Case No. 24-20601 (Bankr. E.D. Wis.), and *In re Carrols LLC*, Case No. 24-20602 (Bankr. E.D. Wis.), are **DISMISSED**.

Dated in Milwaukee, Wisconsin this 22nd day of March, 2024.

BY THE COURT:

A handwritten signature in black ink, appearing to read 'P. Pepper', written over a horizontal line.

HON. PAMELA PEPPER
Chief United States District Judge