EXHIBIT A

UNITED STATES BANKRUPTCY COURT

WESTERN DISTRICT OF LOUISIANA

LAFAYETTE

IN RE:	*	**Case No. 12-51127**
	*	
PICCADILLY RESTAURANTS, LLC,	*	**Chapter 11**
ET AL,	*	
DEBTORS.	*	**Lafayette, Louisiana**
	*	**February 4, 2014**
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EXCERPT;
RULING OF PLAN CONFIRMATION HEARING,
BEFORE THE HONORABLE ROBERT SUMMERHAYS,
UNITED STATES BANKRPUTCY JUDGE

APPEARANCES:

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I N D E X

EXHIBITS:	Marked	Received

(No Exhibits offered in this Excerpt)

P R O C E E D I N G S

(Tuesday, February 4, 2014)

(Call to Order of the Court)

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EXCERPT;

TRANSCRIPT OF PLAN CONFIRMATION HEARING RULING, ONLY

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THE COURT: Please be seated.

Let's go ahead and call our case and take appearances.

THE CLERK: *Piccadilly Restaurants, LLC*, Case Number 12-51127, Application to Amend Engagement, Chapter 11 Plan of Reorganization, and objection to various claims.

THE COURT: Counsel will make appearances.

MS. HEYEN: Good afternoon Your Honor, Shari Heyen and David Kurzweil of Greenberg Traurig for the Committee.

MR. McILWAIN: Good afternoon Your Honor, Brent McIlwain and Robert Jones for Atalaya.

MR. MANTHEY: Good morning Your Honor, Tristan Manthey on behalf of Yucaipa.

MR. WALPER: Good morning, or good afternoon Your Honor, Thomas Walper of Munger, Tolles & Olson representing Yucaipa.

MR. VANCE: Good afternoon Your Honor, Patrick Vance and Elizabeth Futrell on behalf of the Debtor, Piccadilly.

THE COURT: Okay. We have confirmation set for today. We had a confirmation hearing earlier in January. The Court had reset this for a ruling.

I know we have a number of other matters, but what I'd like to do is start with the ruling on confirmation and then we can deal with housekeeping matters after that ruling.

The Court has prepared a ruling that I will read into the record. There will not be a written ruling in this case.

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RULING

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THE COURT: In the matter of the confirmation in the Matter 12-51127, the present matter before the Court is the confirmation of the first amended joint Chapter 11 plan for Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Services, LLC filed by the Official Committee of Unsecured Creditors and Atalaya Administrative, LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP, and Atalaya Special Opportunities Fund IV, LP.

Piccadilly filed for relief under Chapter 11 of the Bankruptcy Code on September 11th of 2012. The U.S. Trustee appointed the Official Committee of Unsecured Creditors on October 23rd, 2012.

During the course of the case the Court granted an extension of the exclusivity period. The Court granted the first extension on December 19th, 2012 and ordered that the Debtors had until April 9th, 2013 to file a plan and to June 10th, 2013 to solicit acceptance of the plan.

The Court granted the second extension on March 28th, 2013 and ordered that the Debtors had until July 8th, 2013 to file a plan and to September 9th to solicit acceptance of the plan.

On July 8th Piccadilly and the holder of the majority of its equity interest, Yucaipa Corporate Initiatives Fund I, LP filed a joint Chapter 11 plan.

On August 20, 2013 the Court denied Piccadilly’s third request to extend the exclusivity period for soliciting acceptance of this plan. Piccadilly and Yucaipa subsequently withdrew their joint Chapter 11 plan on September 6th, 2013.

On September 27th, 2013, Atalaya and the Official Committee filed their first joint Chapter 11 plan and disclosure statement. The Court approved the disclosure statement on October 29th, 2013 and the amended plan and disclosure statement were filed on November 14, 2013.

Just to summarize the players in the case, Atalaya is Piccadilly’s largest creditor. Atalaya’s claim as of the petition date was approximately $28 million. Atalaya contends that including a post petition interest, it’s secured claim exceeds $33 million.

General unsecured claims total approximately $5.75 million. There are also approximately $2.4 million in administrative claims, a $3 million DIP financing claim, priority tax claims of approximately $237,000, and convenience claims totaling between $363,000 and $500,000.

Convenience claims are allowed, unsecured claims that total $2,500 or less.

As far as the terms of the proposed plan, the joint plan proposes that Atalaya will convert $9 million of its pre-petition secured debt into a hundred percent of the equity of the reorganized Debtors. The plan thus proposes to cancel Yucaipa’s equity interest in the Debtors.

The plan also provides that Atalaya’s remaining secured claim and its $3 million DIP facility would be converted into term notes secured by senior liens on substantially all of the reorganized Debtor’s assets.

The notes would provide that Atalaya would receive only interest payments on the notes until the unsecured creditor note proposed in the plan is paid in full.

Atalaya also agreed to fund a $6 million exit facility to pay administrative expenses, among other matters.

The joint plan also proposes to pay allowed general unsecured claims a pro rata share of $1 million funded by Atalaya.

The reorganized Debtors would execute a promissory note in favor of unsecured creditors in the amount of approximately $4.75 million. This note would be secured by Piccadilly's $1.5 million recovery from its British-Petroleum tort claim.

Holders of claims, of convenience claims would receive a pro rata share of $500,000 paid in cash on the effective date of the plan.

The joint plan further provides for full payment of administrative expenses in cash on the effective date.

Six of the classes entitled to vote accepted the plan. One voting class unliquidated tort claims rejected the plan.

Yucaipa and Merchant's Company d/b/a Merchant's Food Service filed formal objections to plan confirmation. Merchant's subsequently resolved its objection to the joint plan with the plan proponents.

The Court then held a three day confirmation hearing from January 13th through January 15th, 2014. The focus of that hearing was Yucaipa's objections to plan confirmation.

The Court took the matter under advisement at the end of the confirmation hearing and granted the parties leave to file post hearing briefs by January 31st, 2014.

The Court also reset the confirmation hearing for today to issue a ruling.

The Court has reviewed the pleadings that were filed by January 31st, 2014. The Court has also reviewed Yucaipa's amended brief filed to reflect additional information from the second day hearing transcript.

There are two elements to Yucaipa's objection to plan confirmation. First, Yucaipa contends that the plan violates the requirements of Bankruptcy Code Section 1129(b) and that the treatment of rejecting classes must be fair and equitable.

Yucaipa contends that the plan violates this provision because it cancels Yucaipa's equity interest, even though according to Yucaipa, there is equity of approximately $19 million in Piccadilly.

According to Yucaipa, Atalaya's conversion of $9 million of its debt in exchange for a hundred percent of the equity of Piccadilly gives Atalaya an unfair windfall. In short, Yucaipa contends that the plan fails to provide it with the full value of its equity interest in the Debtors.

Second, Yucaipa challenges the calculation of Atalaya's secured claim. Specifically, Yucaipa contends that Atalaya has overstated its pre petition secured claim by at least $3.9 million, and the amount of its post petition interest by approximately $1.25 million.

The Court will first address the question of valuation and Yucaipa's argument that Piccadilly has equity value.

The touchstone for valuing Piccadilly for purposes of plan confirmation and for purposes of determining whether the plan properly treats Yucaipa's equity interest, in the Court's view, is Piccadilly's enterprise value.

In other words, the focus must be the earning power of the Debtors as a going concern, as opposed to the liquidation value of the Debtors.

The Court cites In Re: Mirant, 334 Bankruptcy Reporter 800, Northern District of Texas, 2005.

As the court observed in that case, since a debtor's enterprise value is necessarily based on a prediction of the debtor's performance in the future, it cannot command mathematical precision.

See also In Re: Coram Healthcare, 315 BR 321 at 339, Bankruptcy Court for the District of Delaware, 2004.

The Official Committee, Atalaya and Yucaipa each introduced expert testimony to support their positions on valuation.

Yucaipa's expert, Nicole Fry of Imperial Capital, valued Piccadilly by utilizing three established valuation methodologies: The comparable companies approach, comparable M&A, mergers and acquisition transaction approach, and the discounted cash flow approach.

With respect to the comparable M&A transaction approach; Ms. Fry testified that Piccadilly's value ranged from approximately $35 million to $42 million.

Using the comparable companies analysis; Ms. Fry valued Piccadilly at approximately $52 million to $58 million.

Using the discounted cash flow analysis; Ms. Fry valued Piccadilly at approximately $56 million to $78 million.

Ms. Fry testified that the value of Piccadilly, based on these results, fell within the range of approximately $48 million to $59 million, with a mid point of this range at approximately $54 million.

Atalaya relied on the expert opinions of Mr. Richard Lee and William Snyder of Deloitte.

Based on projections developed by Mr. Snyder, Mr. Lee testified that Piccadilly's value was $29.1 million using the discounted cash flow model.

It was $29.3 million under an approach that incorporated the comparable company and comparable transaction approaches.

And approximately $29.2 million under a cost based approach.

Considering these results under each of these models, Mr. Lee testified that Piccadilly had an enterprise value of $29.2 million.

The Official Committee relied on the expert opinion of Michael Atkinson of Protiviti.

Mr. Atkinson did not perform a conventional valuation analysis. Instead, Mr. Atkinson considered the negotiation process among the Official Committee, Yucaipa and Atalaya, discussions between the Official Committee and other purchasers, and the terms of the joint plan in determining whether there was any equity left in the Debtors.

Mr. Atkinson observed that Yucaipa had an opportunity to preserve any equity value by filing a plan that paid Unsecured Creditors in full on the effective date, but that Yucaipa filed no such plan.

Based on these factors, Mr. Atkinson concluded that Yucaipa’s equity interest has no value and that the valuation of Piccadilly was no more than approximately $44 million.

Mr. Atkinson also performed a valuation analysis using normalized EBITDA, and for purposes of the record, that’s E-B-I-T-D-A, because from experience that always comes out differently in a transcript when a court reporter transcribes the record.

Normalized EBITDA of $5.8 million and 2014, Atalaya projected the EBITDA of $5.6 million.

Based on these additional calculations, Mr. Atkinson’s valuation of Piccadilly ranged from approximately $34.3 million to $44.1 million.

After considering the record as a whole, and the parties’ arguments, and the parties’ pleadings, the Court finds the valuation of Deloitte more persuasive than the valuations performed by the other experts.

The Court does not find the valuation analysis performed by Imperial Capital persuasive for at least four reasons:

First; Imperial Capital’s analysis is based on FTI’s financial projections for the last eight months of 2013, and 2014 through 2017.

These projections are unreasonably high in light of the company’s historical financial performance and the trends in the self-service cafeteria industry.

Deloitte projected EBITDA of approximately $3.77 million in 2013, increasing to $8.13 million in 2017. In contrast, FTI projections -- the FTI projections upon which Imperial Capital bases its valuation, projected EBITDA of $6.85 million in 2013, increasing to $16.19 million in 2017.

The Court notes that Piccadilly obtained EBITDA of only $14.4 million in 2006, which appears to be a time of relative financial stability for the Debtors.

FTI projections for 2013 through 2014 -- through 2017 were made in or around -- let me revise that. FTI’s initial projections for 2013 through 2017 were made in or around May of 2013. The record reflects that actual EBITDA for 2013 was approximately $3.97 million versus FTI’s projection of $6.85

million, a difference of approximately 42 percent.

With respect to industry trends, there is no persuasive evidence in the record to support FTI's projection that Piccadilly's EBITDA would increase at a sufficient rate to reach $16.19 million in four years in light of industry projections showing either no growth or a slight decline in the relevant industry.

As Mr. Lee pointed out, the self-service cafeteria industry recorded a sales decline of nearly 21 percent from 2007 to 2012, and the industry revenue is expected to remain flat or to fall slightly through 2017.

The Court cites Plan Proponent Exhibit A at Page 12: "Industry projections also contemplate a continued decline in locations in the industry through 2017."

FTI's projections, and hence Imperial's valuation analysis, is not credible in light of these trends.

Yucaipa suggests that Piccadilly's new Food Services Division can support higher revenues and EBITDA from 2014 through 2017. The record, however, does not contain any support for the assumption that growth in the Food Services Division can overcome Piccadilly's actual performance, and to support the high EBITDA numbers projected by FTI for 2014 through 2017.

With respect to capacity, the Food Service Division and Food Service Operations are currently operated out of existing stores, which provides some check on the ability to expand operations.

Moreover, the record reflects that the average check for the Food Services Operations is substantially less than the average check for Piccadilly's self-service cafeteria business.

Second; even though the actual results for 2013 came in far below FTI's original projections for 2013, FTI revised its projections for 2013, but did not revise projections for 2014 through 2017 to reflect the Debtor's results in 2013.

As a result, FTI's projections for 2014 through 2017 are inflated based on the actual results of Piccadilly's operations in 2013.

Mr. Lee recalculated Imperial Capital's discounted cash flow model using the lower EBITDA numbers for 2013. With this one adjustment, Mr. Lee calculated the value of Piccadilly at approximately $40.3 million using Imperial's model.

See Plan Proponent Exhibit D-13 and January 13, 2014 trial transcript at Pages 85 through 86.

Third; the terminal value that Imperial Capital used for its discounted cash flow model discounted terminal cash flows for 2017 back for only three years instead of four years.

Ms. Fry's explanation for using a discount of three years versus four years is not credible to the Court.

Fourth; Imperial Capital's three models produced valuations that are not consistent and vary dramatically, from a range of $35 million to $42 million using the comparable M&A transaction model to a range of $56 million to $78 million under Imperial's discounted cash flow analysis model.

Such disparate results undermine the credibility of Imperial's valuation estimate of $48 million to $59 million, which has no principle link to any results -- to the results of any of Imperial's three valuation models other than what is apparently a mathematical weighting and averaging of numbers.

Yucaipa's primary challenge to Deloitte's financial projections is that they are allegedly based on a top down review of Piccadilly without any input from Piccadilly's management.

According to Yucaipa, FTI's financial projections are more sound because they were developed with the cooperation of management, based on a bottom's up analysis and an individual store by store assessment.

The Court finds this argument unpersuasive in light of the performance of FTI's initial financial projections for 2013.

Even assuming Yucaipa's contention that FTI was aided by a bottom's up store by store analysis conducted with input from Piccadilly management; this argument cannot escape the fact that even with the aid of management, FTI's initial projections for 2013 missed the mark by approximately 42 percent.

In contrast, Deloitte's top down projections for 2013 came much closer to hitting the mark in comparison to actual 2013 results.

Yucaipa also points out that Deloitte's financial projections are understated, because its EBITDA projections for November and December 2013 fell below the actual results for those two months by fifteen percent to nineteen percent.

The Court similarly finds this argument unpersuasive. Even though Deloitte's projections may have missed the mark from November and December 2013, its overall projection for the year of 2013 came close to Piccadilly's actual results for that year.

In sum, the Court finds Deloitte's valuation analysis based on a discounted cash flow model to be the most persuasive evaluation provided in this case.

In light of Deloitte's valuation of $29.1 million and the additional $2.7 million in non operating assets, the Court concludes that the enterprise value of Piccadilly for purposes of plan confirmation is $32 million.

The Court -- the record reflects a range of total claim values from a low of $44 million urged by Yucaipa to the

$57 million urged by Atalaya.

However, even under the low end of the range at $44 million, Yucaipa’s equity interest has no value.

Accordingly, the cancellation of Yucaipa’s equity interest in Piccadilly under the joint plan does not violate the requirements under 1129(b) as alleged by Yucaipa, that the plan be fair and equitable to dissenting classes.

See In Re: Westpointe, L.P., 241 F3d 1005, Eighth Circuit, 2001 and In Re: Koelbl, 751 F2d 137, Second Circuit, 1984.

With respect to Atalaya’s secured claim and the value of Atalaya’s secure claim, the Court need not address Yucaipa’s objection to that claim based on the valuation fixed by the Court.

Even assuming the reductions urged by Yucaipa, the reduction in Atalaya’s secure claim would not free up any equity for the benefit of Yucaipa.

Moreover, while the Official Committee initially challenged the value of Atalaya’s secure claim; Atalaya and the Official Committee have reached a settlement of that dispute, and have agreed to a claim value for Atalaya that is reflected in the joint plan.

Based on the record, the Court finds that this agreement is a fair and reasonable settlement of the dispute over Atalaya’s claim.

In addition to resolving the dispute over Atalaya’s claim value, this settlement resulted in a joint plan that not only provides a more favorable capital structure for the reorganized Debtor going forward; but also provides a significant return to general Unsecured Creditors.

Accordingly, the proposed treatment of Atalaya’s claim does not violate the fair and equitable requirements imposed by Section 1129(b).

The other requirements of plan confirmation under 1129 are not disputed.

The Court concludes that the plan satisfies the requirements of Section 1129(a)(1) of the Bankruptcy Code.

The Court finds that the plan was proposed in good faith and satisfies the requirements of 1129(a)(3) through 1129(a)(9).

The plan has been accepted by at least one impaired class, and the Court finds that the record supports feasibility in light of Deloitte’s financial projections and the improvement in Piccadilly’s capital structure.

Given that there is a dissenting class, the Court also considers the cram down requirements of Section 1129(b). The Court finds that the plan does not unfairly discriminate with respect to dissenting classes, and that the plan is fair and equitable.

The Court therefore grants confirmation of the joint plan proposed by Atalaya and the Official Committee.

Atalaya and the Official Committee will submit a proposed confirmation order within twenty days of today's hearing.

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(End of Excerpt Requested)

C E R T I F I C A T E

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceeding in the above-entitled matter.

S/Sherryl P. Robinson **_2/26/14_**
Sherryl P. Robinson **Date**