

# EXHIBIT A

**EXHIBIT A; PROPOSED FINAL ORDER**

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
LAFAYETTE DIVISION**

**IN RE:**

**PICCADILLY RESTAURANTS, LLC,  
*ET AL.*,**

**DEBTORS**

\* **CASE NO. 12-51127**  
\*  
\* **(JOINT ADMINISTRATION)**  
\*  
\* **CHAPTER 11**  
\*  
\* **JUDGE ROBERT SUMMERHAYS**

**FINAL ORDER, PURSUANT TO SECTIONS 503(b)(9), 363(b), AND 105(a) OF THE BANKRUPTCY CODE, (1) GRANTING CRITICAL VENDOR STATUS, (2) AUTHORIZING DEBTORS TO ENTER INTO A DISTRIBUTION AGREEMENT WITH THE MERCHANTS COMPANY, D/B/A MERCHANTS FOODSERVICE, AND ITS AFFILIATES, (3) AUTHORIZING THE IMMEDIATE CASH PAYMENT OF A PORTION OF THE PRE-PETITION CLAIM OF MERCHANTS, (4) AUTHORIZING THE REAPPLICATION OF CERTAIN OF THE DEBTORS' POST-PETITION PAYMENTS TO CERTAIN PRE-PETITION INVOICES OF THE MERCHANTS COMPANY, (5) ALLOWING MERCHANTS' SECTION 503(b)(9) CLAIM AND PACA CLAIMS, AND (6) GRANTING RELATED RELIEF**

**Considering** the Motion of the Debtors for entry an order, pursuant to sections 363(b), 105(a) and 503(b)(9) of the Bankruptcy Code, (1) Granting Critical Vendor Status to The Merchants Company d/b/a Merchants Foodservice, and its Affiliates (collectively, "Merchants"), (2) Authorizing the Debtors to Enter into a Distribution Agreement with Merchants, (3)

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Authorizing the Immediate Cash Payment of a Portion of the Pre-Petition Claim of Merchants, (4) Authorizing the Reapplication of Certain of the Debtors' Post-Petition Payments to Certain Pre-Petition Invoices of Merchants, (5) Allowing Merchants' Section 503(b)(9) Claim and PACA Claims, and (6) Granting Related Relief (the "Motion") (Dkt. #     ). This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. § 503. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (B) and (O). The Court finds that proper notice of the Motion was given to all creditors and parties in interest, and that the DIP Lenders and the Unsecured Creditors Committee consent to the relief requested herein, and the expedited hearing of the Motion, and the Court further finds that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest and should be granted.

**IT IS, THEREFORE, ORDERED** as follows:

1. The Motion be, and the same hereby is, granted.
2. After the payments and credits required of the Debtors herein are made to Merchants, and as consideration for the payments required herein, Merchants will enter into and deliver to Piccadilly Restaurants, LLC ("Restaurants") that certain Distribution Agreement by and between Merchants and Restaurants, a copy of which is attached to this Order as **Exhibit 1** (the "Distribution Agreement"), effective as of the entry of this Order, to govern the future sale and delivery of Food and Supplies, as well as (i) giving the Debtors' credit terms of up to \$1.4 million, (ii) for a term of two years, and (iii) terminable by Restaurants on 120-days' notice to Merchants. Restaurants is hereby authorized to enter into the Distribution Agreement.

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3. As set forth in the Motion, Merchants is a Critical Vendor of Restaurants, and that the treatment of the claim of Merchants as a Critical Vendor as set forth herein is essential to induce Merchants to offer Restaurants the terms and conditions set forth in the Distribution Agreement, and such treatment of the claim of Merchants as provided herein is in the best interests of the Debtors, the bankruptcy estates, the creditors and parties in interest.

4. Merchants has allowed pre-petition claims against Restaurants in the total amount of \$4,223,564 (the "Merchants Pre-Petition Claim").

5. Of the Merchants Pre-Petition Claim, Merchants has allowed claims under PACA in the amount of \$159,487 (the "Allowed PACA Claims"), all of which has now been paid.

6. Of the Merchants Pre-Petition Claim, Merchants has an allowed administrative claim under 11 U.S.C. §503(b)(9) in the amount of \$2,323,585 (the "Allowed 503(b)(9) Claim"), which takes into account the Allowed PACA Claims.

7. The Allowed 503(b)(9) Claim in the amount of \$2,323,585 will be paid at the earliest time that any other allowed administrative claim under 11 U.S.C. §503(b)(9) is paid to any creditor by any of the Debtors.

8. Considering the Allowed PACA Claims and the Allowed 503(b)(9) Claim, Merchants has an allowed unsecured claim in the aggregate amount of \$1,740,492 (the "Allowed Unsecured Claim").

9. The entire amount of the Allowed Unsecured Claim shall be paid to Merchants within two (2) business day from the date of the entry of this Order, as follows:

A. First, a credit (the "Margin Differential Credit") will be given by Merchants to Restaurants against the Allowed Unsecured Claim of Merchants for the

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margin differential charged for food and supplies after the Petition Date when compared to the more favorable contract terms subsequently negotiated between Restaurants and Merchants (as reflected in the Distribution Agreement), which Margin Differential Credit will continue to accrue until the entry of this Order.

B. Second, the Debtors will pay Merchants cash in an amount equal to fifty percent (50%) of the remaining amount of the Allowed Unsecured Claim after the application of the Margin Differential Credit set forth in subparagraph A. above (the “Critical Vendor Cash Payment”); *and*

C. Third, the remaining fifty percent (50%) of the Allowed Unsecured Claim (after the applications of the payments and credits set forth in subparagraphs A. and B. above) will be satisfied by Merchants’ re-applying and re-classifying, on a dollar-for-dollar basis, post-petition payments previously made by Restaurants to Merchants for the purchase of Food and Supplies (the “Critical Vendor Reclassified Payment”).

10. All of the payments by the Debtors to Merchants, including the Allowed PACA Claims, the applications of the Margin Differential Credit, the Critical Vendor Cash Payment and the Critical Vendor Reclassified Payment, as well as the allowance of the Allowed 503(b)(9) Claims and the Allowed Unsecured Claim, are absolute and final and are without any right of the Debtors or any successor thereto, including but not limited to a Chapter 11 trustee, a Chapter 7 trustee, or any Liquidation Agent or Liquidation Trust created or appointed pursuant to any confirmed Chapter 11 Plan, or the Unsecured Creditors’ Committee, or any of the DIP Lenders, to avoid, recover or recoup any of the payment to Merchants authorized or paid to Merchants by

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this Order, or to avoid, recover or recoup, either under chapter 5 of the Bankruptcy Code or otherwise, any transfers or payments previously made by any of the Debtors to Merchants.

11. The Debtors will provide Merchants with the information and documentation, as set forth in more detail in **Exhibit 2** to this Order, within the time periods set forth therein.

12. The Court will retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

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**This Order was prepared and is being submitted by:**

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Piccadilly Investments, LLC**

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**EXHIBIT 2 TO PROPOSED ORDER**

1. The Debtors<sup>1</sup> shall deliver to Merchants the following reports, statements, notices and other documents set forth below:

(a) Monthly Reports. As soon as available, and in any event within 30 days after the end of the first two months in each fiscal quarter, the consolidated balance sheet of the Debtors as at the end of such month and the related consolidated statements of income, stockholders' equity and cash flows of the Debtors for such month and for the period from the beginning of the then current fiscal year to the end of such month, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous fiscal year, all in reasonable detail.

(b) Quarterly Financial Statements. As soon as available, and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, the consolidated balance sheets of the Debtors as at the end of such fiscal quarter and the related consolidated statements of income, stockholders' equity and cash flows of the Debtors for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous fiscal year and, except for the cash flow statements, all in reasonable detail, and a Narrative Report with respect thereto.

(c) [Reserved].

(d) [Reserved.]

(e) Statements of Reconciliation after Change in Accounting Principles. If, as a result of any change in accounting principles and policies from those used in the preparation of

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<sup>1</sup> "Debtors" means Piccadilly Restaurants, LLC, Piccadilly Food Service, LLC and Piccadilly Investments, LLC (each of the Debtors may be referred to herein as a "Debtor").



the most recent financial statements delivered prior to the Initial Closing Date, the consolidated financial statements of the Debtors delivered pursuant to Section (b) above will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance provided by the Debtors to their DIP Lender.

(f) Notice of Default. Promptly upon, but in any event within seven (7) business days after, any executive officer of the Debtors obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to any Debtor with respect thereto; (ii) that any Person has given any notice to any Debtor or taken any other action with respect to (y) any Debtor's failure to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable (including all relevant grace periods), or (z) any other event or condition occurs (and all relevant grace periods have expired) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of an authorized officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person