

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE:

PICCADILLY RESTAURANTS, LLC,
ET AL.,

DEBTORS

* CASE NO. 12-51127
*
* (JOINT ADMINISTRATION)¹
*
* CHAPTER 11
*
* JUDGE ROBERT SUMMERHAYS

**DEBTORS' SECOND REPORT ON RECONCILIATION AND PAYMENT
OF ALLOWED PACA CLAIMS AND DISPUTED PACA CLAIMS**

NOW INTO COURT, through undersigned counsel, come the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”),² and files this Second Report on Reconciliation and Payment of Allowed PACA Claims and Disputed PACA Claims (this “Second PACA Report”), in compliance with the Order Authorizing Payment of Potential Claims under the Perishable Agricultural Commodities Act, 7 U.S.C. § 499(a), et seq. and State Statutes of Similar Effect (collectively, “PACA”) (Docket #110) (the “PACA Order”).³

¹ Jointly administered with *In re Piccadilly Food Service, LLC*, 12-51128 (Bankr. W.D. La. 2012), and *In re Piccadilly Investments, LLC*, 12-51129 (Bankr. W.D. La. 2012).

² The debtors in these Chapter 11 cases include Piccadilly Restaurants, LLC, Piccadilly Food Service, LLC, and Piccadilly Investments, LLC.

³ Unless otherwise defined in this Report, capitalized terms used in this Second PACA Report shall have the meaning ascribed to them in the PACA Order, a copy of which is attached as **Exhibit 1**.

PACA REPORT

1. **Exhibit 2** to this Second PACA Report lists the PACA claims that have been asserted, reconciled and paid by the Debtors since entry of the PACA Order, that were paid with wire transfers or checks issued by the Debtors after September 11, 2012 (the "Petition Date") through the filing of this Second Report. The aggregate amount of those PACA claims total \$512,297.70. The last PACA claim was paid on January 15, 2013.

2. **Exhibit 3** to the Debtors' initial PACA Report, which was filed herein on December 20, 2012 (Docket #420) (the "First PACA Report"), lists the PACA claims that have been asserted, reconciled and paid by the Debtors since entry of the PACA Order, that were paid with checks that were issued by the Debtors before Petition Date that were paid from the Debtors' bank account after the Petition Date. The aggregate amount of those PACA claims, total **\$44,902.08**.

3. As mentioned in the First PACA Report, the Debtors received an alleged PACA claim from Simply Fresh Produce Company ("Simply Fresh") in the amount of \$3,727.59. For the reasons explained in the correspondence to Simply Fresh, dated December 7, 2012, a copy of which is attached to the First PACA Report as **Exhibit 4**, the Debtors do not believe this vendor has a valid PACA claim for any portion of its claim.

4. Although the Debtors have paid Charles Bliss Produce \$5,247.02 (on October 12, 2012), it has come to their attention that this creditor (who filed a proof of claim no. 320 on February 25, 2013, in the amount of \$4,980.75) believes that it may have additional PACA claims (the "Charles Bliss POC"). The Charles Bliss POC does not make reference to PACA either on the face of the POC or on any of the attachment. Moreover, the Debtors do not believe that this creditor holds a valid PACA claim for any amount in excess of the claim already paid as

a PACA Claim. The requisite PACA language is not included in this creditor's invoices and the invoices attached to the Charles Bliss POC are not within the statutory period to validly preserve a PACA claim.

Respectfully submitted,

/s/ Elizabeth J. Futrell

R. PATRICK VANCE (#13008)
ELIZABETH J. FUTRELL (#05863)
MARK A. MINTZ (#31878)
TYLER J. RENCH (#34049)
Jones Walker LLP
201 St. Charles Avenue, 51st Floor
New Orleans, Louisiana 70170
Telephone: (504) 582-8000 / Direct: 582-8194
Direct Facsimile: (504) 589-8194
Email: pvance@joneswalker.com
Email: efutrell@joneswalker.com
Email: mmintz@joneswalker.com
Email: trench@joneswalker.com

AND

PATRICK L. McCUNE (#31863)
Jones Walker LLP
Four United Plaza
8555 United Plaza Blvd.
Baton Rouge, Louisiana 70809
Telephone: (225) 248-2150
Facsimile: (225) 248-3350
Email: pmccune@joneswalker.com

**Attorneys for Piccadilly Restaurants, LLC
Piccadilly Food Service, LLC and
Piccadilly Investments, LLC**

EXHIBITS TO PACA REPORT

EXHIBIT 1 PACA ORDER

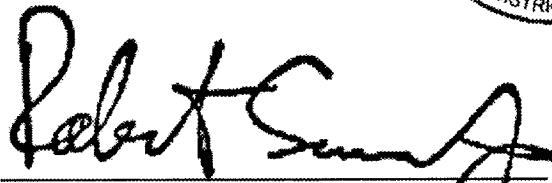
EXHIBIT 2 CHART SHOWING PACA CLAIMS THAT HAVE BEEN
RECONCILED AND PAID WITH CHECKS AND WIRE TRANSFERS
SINCE THE ENTRY OF THE PACA ORDER

EXHIBIT 1



SO ORDERED.

SIGNED September 21, 2012.


ROBERT SUMMERHAYS
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE:

PICCADILLY RESTAURANTS, LLC, *et al.*,

DEBTORS

CASE NO. 12-51127

(JOINTLY ADMINISTERED)¹

CHAPTER 11

JUDGE ROBERT SUMMERHAYS

**ORDER AUTHORIZING PAYMENT OF POTENTIAL CLAIMS UNDER PACA
AND STATE STATUTES OF SIMILAR EFFECT**

CONSIDERING the motion for entry of an order authorizing payment of claims under (i) the Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. §§ 499(a), *et seq.* and (ii) any and all state statutes of similar effect (the "PACA Motion")² filed by the above-

¹ Jointly administered with *In re Piccadilly Investments, LLC*, 12-51129 (Bankr. W.D. La.), and *In re Piccadilly Food Service, LLC*, 12-51128 (Bankr. W.D. La.).

² Capitalized terms used herein, but not otherwise specifically defined, shall have the meaning ascribed to such terms in the PACA Motion.

captioned debtors and debtors-in-possession (collectively, the "Debtors"),³ to pay valid pre-petition claims under the Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. §§ 499(a) *et seq.* ("PACA"), and 11 U.S.C. §§ 105(a) and 363(b)(1), and for related relief (the "PACA Motion") (R. at 9) the records of these cases, applicable law, and for reasons orally assigned in open Court and on the record at the hearing on the PACA Motion on Thursday, September 13, 2012:

IT IS ORDERED that, subject to compliance with the procedures set forth in Exhibit A hereto, the Debtors are authorized, to pay, in their discretion and after consultation with (i) Atalaya Administrative LLC and (ii) the managing member of Piccadilly Investments, and in the ordinary course of business, pre-petition claims owing to potential holders of claims ("PACA Claims") under PACA ("PACA Claimants"), including those identified on Exhibit B to the PACA Motion;

IT IS FURTHER ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the PACA Motion.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

IT IS FURTHER ORDERED that nothing in the PACA Motion or this Order shall be construed as impairing the Debtors' right to contest the validity or amount of any claims asserted under PACA, and all of the Debtors' rights with respect thereto are hereby reserved;

³ The debtors in these chapter 11 cases include Piccadilly Restaurants, LLC ("Piccadilly"), Piccadilly Investments, LLC ("Piccadilly Investments"), and Piccadilly Food Service, LLC ("Piccadilly Food Service").

IT IS FURTHER ORDERED that the Debtors be, and hereby are, authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order;

IT IS FURTHER ORDERED that the Court shall retain jurisdiction over the Debtors and any and all PACA Claimants with respect to any matters, claims, rights or disputes arising from or related to the PACA Motion, the implementation of this Order, or the validity of any claims asserted against the Debtors pursuant to PACA or other state statute of similar effect;

IT IS FURTHER ORDERED that, notwithstanding the foregoing, nothing contained in this Order shall be deemed to be an express or implied amendment to any approved budget for any debtor-in-possession financing approved in these cases and any payment authorized by this Order shall be subject to the terms and conditions of such debtor-in-possession financing, from and after its approval; and

IT IS FURTHER ORDERED that, notwithstanding any applicability of Federal Rule of Bankruptcy Procedure 6004(g), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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Prepared and submitted by:

**GORDON, ARATA, MCCOLLAM,
DUPLANTIS & EAGAN, LLC**

By: /s/ Louis M. Phillips

Louis M. Phillips (La. Bar No. 10505)
Peter A. Kopfinger (La. Bar No. 20904)
Ryan J. Richmond (La. Bar No. 30688)
Elizabeth A. Spurgeon (La. Bar No. 33455)
One American Place
301 Main Street, Suite 1600
Baton Rouge, LA 70801-1916
Telephone: (225) 381-9643

Facsimile: (225) 336-9763
Email: lphillips@gordonarata.com
Email: pkopfinger@gordonarata.com
Email: rrichmond@gordonarata.com
Email: espurgeon@gordonarata.com

AND

Courtney S. Lauer (La. Bar No. 23029)
1980 Post Oak Blvd., Suite 1800
Houston, Texas 77056
Telephone: (713) 333-5500
Facsimile: (713) 333-5501
Email: clauer@gordonarata.com

AND

Patrick "Rick" M. Shelby (La. Bar No. 31963)
201 St. Charles Avenue, 40th Floor
New Orleans, LA 70170-4000
Telephone: (504) 582-1111
Facsimile: (504) 582-1121
Email: pshelby@gordonarata.com

*Interim Attorneys for
Piccadilly Restaurants, LLC,
Piccadilly Investments, LLC, and
Piccadilly Food Service, LLC*

Exhibit A

PACA Procedures

- a. PACA NOTICES. Any a person seeking the protection of a PACA Trust (a "PACA Claimant") must deliver, or have previously delivered, a valid and timely PACA Notice to the Debtors in accordance with the statutory guidelines set forth in 7 U.S.C. § 499e(c)(3)-(4).
- b. Notice of PACA Order. The Debtors will send a copy of the order approving this Motion (the "PACA Order") by first-class mail to all persons or entities that have delivered a valid and timely PACA Notice (or a document that purports to be a valid and timely PACA Notice) to the Debtors.
- c. Allowed PACA Claims. If the Debtors determine that a claim asserted in a PACA Notice is valid, the Debtors shall, pay in their discretion and after consultation with (i) Atalaya Administrative LLC and (ii) the managing member of Piccadilly Investments, pay such claim as an administrative expense of the Debtors' estates as soon as practicable after receipt of the PACA Notice, or if later, in accordance with the normal trade terms (the "Allowed PACA Claim"). Any holder of a PACA Claim that accepts payment from the Debtors on account of its Allowed PACA Claim shall be deemed to have waived, released, and discharged any and all claims, of any type, kind, or priority on account of or in connection with its PACA Claim against the (i) Debtors, (ii) any former, present or future officer, director, or employee of the Debtors, (iii) the Debtors' assets and properties and (iv) any funds or amounts held in trust by the Debtors.
- d. Settled Claim Report. Ninety days from entry of the final order approving the PACA Procedures, and every 90 days thereafter, the Debtors shall file a report with the Court listing all Allowed PACA Claims (the "PACA Claims Report") for the preceding 90 day period. The PACA Claims Report shall be sent by first class mail to the following parties: (i) the Office of the United States Trustee for the Western District of Louisiana, (ii) counsel for any statutory committee appointed in these chapter 11 cases, (iii) all parties filing a PACA Claim that are listed in such PACA Claims Report, (iv) Atalaya Administrative LLC and its counsel, and (v) the managing member of Piccadilly Investments, LLC and its counsel.
- e. Disputed Claim Report. As soon as practicable after the period ending ninety (90) days after entry of the PACA Order, the Debtors, will file with the Court a report (the "Disputed PACA Claims Report") that lists the PACA Claims the Debtors believe are invalid in whole or in part or which the Debtors have not paid. The Disputed PACA Claims Report shall be sent by first-class mail to the Following parties: (i) the Office of the United States Trustee for the Western District of Louisiana, (ii) counsel for any statutory committee appointed in these chapter 11 cases, (iii) all parties filing a PACA Claim that are listed in such Disputed PACA

Claims Report, (iv) Atalaya Administrative LLC and its counsel, and (v) the managing member of Piccadilly Investments, LLC and its counsel.

- f. Objections to Disputed PACA Reports. A PACA Claimant (each, an "Objecting Claimant") objecting to the Debtors' determination or non-payment of the PACA Claim as set forth in the Disputed PACA Claims Report must provide the Debtors with evidence or documentation demonstrating the basis for the dispute, including a statement identifying which information in the Disputed PACA Claims Report is incorrect, specifying the correct information, and stating any legal or factual basis for the objection (each, "PACA Objection"). Objections must be served on (i) counsel to the chapter 11 cases, so as to be actually received no later than the 20th day following the date the Disputed PACA Claims Report is filed (the "PACA Objection Deadline").
- g. With respect to each PACA Claim in the Disputed PACA Claims Report as to which no objection is timely received, such PACA Claim shall be deemed an invalid PACA Claim (in whole or in part, as specified in the Disputed PACA Claims Report) without further order of the Court and, to the extent invalid, shall into be entitled to the priorities provided under PACA. With respect to each PACA Claim in the Disputed PACA Claims Report as to which an objection is timely received and the parties resolve the objection, the PACA Claim shall be treated as an Allowed PACA Claim or a disallowed PACA Claim, in whole or part, as agreed to by the parties, without further order of the Court, as set forth in the next PACA Claims Report.
- h. With respect to each PACA Claim in the Disputed PACA Claims Report as to which an objection is timely received and the objection cannot be resolved by the parties, the PACA Claim shall not be deemed valid or invalid except upon order of the Court. If a resolution is not reached by at least sixty (60) days after the date of the Disputed PACA Claims Report, or such later period as may be agreed to by the Debtors and the clamant, the Debtors will arrange for a hearing before the Court.

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EXHIBIT 2

**PACA CLAIMS (EXCLUDING PREPETITION CHECKS)
RECONCILED OR PAID AS OF 3/20/2013**

PACA Vendor	Amount	Wire or Check Date
BROTHERS PRODUCE INC	\$6,103.59	10/12/2012
C.M.B. FOODS, INC.	\$7,264.24	11/8/2012
CAPITOL CITY PRODUCE, INC	\$90,887.90	11/8/2012
CENTRAL ILLINOIS PRODUCE	\$5,247.02	10/12/2012
CHARLES BLISS WHOLESALE FRESH	\$5,528.25	10/12/2012
COOMES PRODUCE CO.	\$7,683.52	10/12/2012
DIXIE FRESH PRODUCE INC	\$7,533.29	11/8/2012
FORESTWOOD FARM INC.	\$8,519.87	10/12/2012
FREEDOM FRESH	\$16,000.66	11/8/2012
KEANY PRODUCE COMPANY	\$13,102.37	11/8/2012
LEO'S PRODUCE COMPANY	\$4,598.28	11/8/2012
MERCHANTS FOODSERVICE	\$133,491.69	10/17/2012
MR.GREENJEANS PRODUCE	\$4,309.76	11/8/2012
MURPHY PRODUCE COMPANY	\$5,981.60	11/8/2012
NLAWS PRODUCE	\$4,657.12	10/4/2012
POSS SELECT PRODUCE, INC.	\$94,549.20	Through 10/12/2012 *
ROBERTSON FRUIT & PROD.	\$7,189.88	10/12/2012
SUNRISE FRESH PRODUCE (Jackson)	\$10,692.65	11/9/2012
SUNRISE FRESH PRODUCE- JACKSONVILLE	\$15,302.32	11/9/2012
CHARLIE SCAIRIA PRODUCE	\$29,342.95	12/17/2012
FARMER'S PRODUCE	\$15,536.45	12/17/2012
MID-SOUTH PRODUCE CO INC	\$3,002.73	12/17/2012
M. PALAZOLA PROD CO INC	\$2,141.30	1/15/2013
SANTA MARIA PRODUCE	\$11,249.27	1/15/2013
TAYLOR BOYS' PRODUCT INC.	\$2,381.79	1/15/2013

Total \$512,297.70

*Poss Select was paid on 9/26 in the amount of \$64,566.57, and on 10/12 in the amount of \$29,982.63

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