

**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**

**MOTION FOR ORDER AUTHORIZING AND APPROVING
DEBTOR-IN-POSSESSION ENTERING INTO INSURANCE PREMIUM
FINANCE AGREEMENT FOR GENERAL LIABILITY AND EXCESS
LIABILITY INSURANCE COVERAGE**

NOW INTO COURT, through undersigned counsel, come the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”),² who submit this *Motion for an Order Authorizing and Approving Debtors-in-Possession Entering into Insurance Premium Financing Agreement For General Liability and Excess Liability Insurance Coverage* (this “Motion”). In support of the Motion, the Debtors show as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

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.

{N2631750.1}

BACKGROUND

2. On September 11, 2012 (the “Petition Date”), the Debtors filed for relief under the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. No trustee or examiner has been appointed. An Official Committee of Unsecured Creditors was appointed in these Chapter 11 cases on October 23, 2012.

4. The Debtors are jointly administrated pursuant to Bankruptcy Code § 105(a) and Bankruptcy Rule 1015(b).

RELIEF REQUEST

5. The statutory predicate for the relief requested herein are § 363 of the Bankruptcy Code.

6. In the ordinary course of the Debtors’ businesses, the Debtors must maintain insurance, including, but not limited to, the general liability (the “General Liability Policy”) and the excess liability insurance policy (the “Excess Policy”), each as described in that certain Premium Finance Agreement (the “Agreement”) to be entered into by and between Piccadilly Restaurants, LLC and IPFS Corporation or its assigns (“IPFS”). A copy of the Agreement is attached to this Motion as **Exhibit 1**.

7. By this Motion, the Debtors seek to finance premiums and related taxes and fees for the General Liability Policy and the Excess Policy (collectively, the “Premium”) in the aggregate amount of \$129,415.93.

8. If the Premium is paid at this time in cash, it will impact the Debtors’ cash reserves to the potential detriment of the Debtors’ estates and its creditors. Therefore, it is necessary for the

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Debtors to finance the Premium. The total finance charge will only be \$2,766.34, and the annual percentage rate is 4.250%. (See Exhibit 1.)

9. The General Liability Policy and the Excess Policy (collectively, the “Policies”) are extremely valuable, and essential to preserve the property, assets and businesses of the Debtors. The Debtors have been unable to locate any source of unsecured premium financing. Therefore, the Debtors seek authority to enter into an agreement to finance the Premium and enter into the Agreement, pursuant to 11 U.S.C. §364(c)(2), on a secured basis, as described in the Agreement (Exhibit 1) and in the proposed Order (**Exhibit 2**).

10. In order to finance the Premium, IPFS will require Restaurants to execute the Agreement (Exhibit 1), which (a) grants IPFS a security interest in all money that is or may be due insured because of a loss under any of the Policies, including (but only the extent permitted by applicable law) the following:

- (a) all money that is or may be due insured because of a loss under any such Policy that reduces the unearned premiums (such to the interest of any applicable mortgagee or loss payee);
- (b) any unearned premium under each such Policy; and
- (c) dividends which may become due insured in connection with each such Policy;
- (d) interests arising under a state guarantee fund.

The Agreement and proposed Order would further authorize IPFS to cancel the financed Policy, obtain the return of any unearned Premium, in the event of a default in the payment of any installment due. See Paragraph 6 to the Agreement.

11. In view of the importance of maintaining insurance coverage with respect to business activities and the preserving of the Debtors’ cash flow and estates by financing the

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Premium, the Debtors believe that it would be in the best interests of the Debtors' estates and creditors to finance the Premium as provided for in the Agreement.

WHEREFORE, the Debtors pray that an Order, substantially similar to the proposed order attached as **Exhibit 2**, pursuant to Section 364(c)(2) of the Bankruptcy Code be made and entered herein authorizing the Debtor to enter into the Premium Finance Agreement and approving the terms thereof, including all rights and privileges granted IPFS Corporation, or its assigns, and authorizing IPFS Corporation, or its assigns, to exercise all or its rights without first securing an Order of the Court, and for such other and further Order as to this Court seems just and proper.

Respectfully submitted,

/s/ Elizabeth J. Futrell

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

{N2631750.1}

Exhibit 1

900 ASHWOOD PARKWAY
 SUITE 370
 ATLANTA, GA 30338
 (877)902-4242 FAX: (770)225-2866

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A CASH PRICE (TOTAL PREMIUMS)	\$141,432.50
B CASH DOWN PAYMENT	\$12,016.57
C PRINCIPAL BALANCE (A MINUS B)	\$129,415.93

AGENT
 (Name & Place of business)
 MCGRIFF, SEIBELS & WILLIAMS, INC.

 P.O. BOX 10265
 BIRMINGHAM, AL 35202-0265
 (205)252-9871 FAX: (205)581-9407

INSURED
 (Name & Residence or business)
 PICCADILLY RESTAURANTS LLC

 3232 S SHERWOOD FOREST BLVD

 BATON ROUGE, LA 70816

Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 1611616

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled
4.250%	\$2,766.34	\$129,415.93	\$132,182.27

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments	When Payments Are Due
11	\$12,016.57	Beginning:

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.
 MONTHLY: 06/01/2013

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed by the actuarial method on a 360 day basis or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$10.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	05/01/2013	ASPEN SPECIALTY INSURANCE CO CRC INSURANCE SERVICES, INC.	GENERAL LIABILITY	0.030%	12	82,230.00 Tax: 4,846.50
Broker Fee:						\$0.00
TOTAL:						\$141,432.50

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Insured and Lender further agree that: **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

4. AGREEMENT EFFECTIVE DATE: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. (Not applicable in KY, NV, and VT) **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$20.00 or the maximum amount permitted by law. (Not applicable in AL and KY). **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Missouri will govern this Agreement. **19. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
(Name & Place of business)
MCGRIFF, SEIBELS & WILLIAMS, INC.

P.O. BOX 10265
BIRMINGHAM, AL 35202-0265
(205)252-9871 FAX: (205)581-9407

INSURED
(Name & Residence or business)
PICCADILLY RESTAURANTS LLC

3232 S SHERWOOD FOREST BLVD
BATON ROUGE, LA 70816

Account #: _____

SCHEDULE OF POLICIES
(continued)

Quote Number: 1611616

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
L4030635393	05/01/2013	CONTINENTAL CASUALTY CO	UMBRELLA	0.000%	12	54,356.00
Broker Fee:						\$0.00
TOTAL:						\$141,432.50

Exhibit 2

**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

**ORDER APPROVING PREMIUM FINANCE AGREEMENT WITH RESPECT TO
PAYMENT AND SECURITY FOR IPFS CORPORATION**

Considering the *Motion for an Order Authorizing and Approving Debtors-in-Possession Entering into Insurance Premium Financing Agreement For General Liability and Excess Liability Insurance Coverage* (the "Motion") filed herein on May 2, 2013 (Docket #___), the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"),² the Court concluding

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.
{N2631833.1}

that (a) it has jurisdiction over this Motion, pursuant to 28 U.S.C. §§ 157 and 1334, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (b) the relief requested in the Motion is essential to the continued operation of the Debtors' businesses and is in the best interests of the Debtors' estates and creditors, and (c) it appearing that all legal requisites having been met, and that sufficient cause supports the relief sought in the Motion;

IT IS ORDERED that the Motion is hereby **GRANTED**.

IT IS ORDERED that, pursuant to pursuant to 11 U.S.C. §364(c)(2), Piccadilly Restaurants, LLC ("Restaurants") is hereby authorized to enter into the Premium Finance Agreement (the "Agreement") with IPFS Corporation, or its assigns ("IPFS"), a copy of which is attached hereto as **Exhibit A** and made a part hereof.

IT IS FURTHER ORDERED that to secure the repayment of the Premiums (as defined in the Agreement) IPFS is hereby granted a first and only priority security interests in all money that is or may be due insured because of a loss under any of the General Liability Policy and the Excess Policy (as defined in the Motion), including (but only the extent permitted by applicable law) the following:

- (a) all money that is or may be due insured because of a loss under any such Policy that reduces the unearned premiums (such to the interest of any applicable mortgagee or loss payee);
- (b) any unearned premium under each such Policy; and
- (c) dividends which may become due insured in connection with each such Policy;
- (d) interests arising under a state guarantee fund.

IT IS FURTHER ORDERED that the Debtors are hereby authorized and directed to pay IPFS all sums due pursuant to the Agreement.

IT IS FURTHER ORDERED that the full rights of IPFS pursuant to the Agreement and controlling state law be and the same hereby are fully preserved and protected and are and shall remain unimpaired by the pendency of the bankruptcy case or any subsequent conversion of this proceeding to a Chapter 7 or any subsequent appointment of a trustee.

IT IS FURTHER ORDERED that, in the event that the Debtors defaults upon any of the terms of the Agreement, IPFS may exercise such rights as it may otherwise have under state law, but for the pendency of this proceeding and, without the necessity of further application to this Court, cancel all insurance policies listed on the Agreement or any amendment thereto, and receive and apply all unearned insurance premiums to the account of the Debtors. In the event that, after such application of unearned premiums, any sums still remain due to IPFS pursuant to the Agreement, such deficiency shall be deemed an administrative expense of the estates.

IT IS FURTHER ORDERED that the Court will retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or implementation of this Order.

###

This Order was prepared and is being submitted by:

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ELIZABETH J. FUTRELL (#05863)
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TYLER J. RENCH (#34049)
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AND

PATRICK L. McCUNE (#31863)
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**Attorneys for Piccadilly Restaurants, LLC,
Piccadilly Food Service, LLC, and
Piccadilly Investments, LLC**

{N2631833.1}

Exhibit A

900 ASHWOOD PARKWAY
 SUITE 370
 ATLANTA, GA 30338
 (877)902-4242 FAX: (770)225-2866

PREMIUM FINANCE AGREEMENT

IPFS CORPORATION

A CASH PRICE (TOTAL PREMIUMS)	\$141,432.50
B CASH DOWN PAYMENT	\$12,016.57
C PRINCIPAL BALANCE (A MINUS B)	\$129,415.93

AGENT
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 P.O. BOX 10265
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INSURED
 (Name & Residence or business)
 PICCADILLY RESTAURANTS LLC

 3232 S SHERWOOD FOREST BLVD

 BATON ROUGE, LA 70816

Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 1611616

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 4.250%	FINANCE CHARGE The dollar amount the credit will cost you. \$2,766.34	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$129,415.93	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled \$132,182.27
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YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments
11	\$12,016.57

When Payments Are Due
 Beginning:

MONTHLY
 06/01/2013

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed by the actuarial method on a 360 day basis or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$10.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	05/01/2013	ASPEN SPECIALTY INSURANCE CO CRC INSURANCE SERVICES, INC.	GENERAL LIABILITY	0.030%	12	82,230.00 Tax: 4,846.50
				Broker Fee:		\$0.00
				TOTAL:		\$141,432.50

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Signature of Insured or Authorized Agent _____ DATE _____ Signature of Agent _____ DATE _____
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Insured and Lender further agree that: **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

4. AGREEMENT EFFECTIVE DATE: This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. (Not applicable in KY, NV, and VT) **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$20.00 or the maximum amount permitted by law. (Not applicable in AL and KY). **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY) **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct (not applicable in KY). Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Missouri will govern this Agreement. **19. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
(Name & Place of business)
MCGRUFF, SEIBELS & WILLIAMS, INC.

P.O. BOX 10265
BIRMINGHAM, AL 35202-0265
(205)252-9871 FAX: (205)581-9407

INSURED
(Name & Residence or business)
PICCADILLY RESTAURANTS LLC

3232 S SHERWOOD FOREST BLVD
BATON ROUGE, LA 70816

Account #: _____

SCHEDULE OF POLICIES
(continued)

Quote Number: 1611616

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
L4030635393	05/01/2013	CONTINENTAL CASUALTY CO	UMBRELLA	0.000%	12	54,356.00
Broker Fee:						\$0.00
TOTAL:						\$141,432.50