

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 11  
: :  
ALSET OWNERS, LLC, *et al.*,<sup>1</sup> : Case No. 09-11960 (BLS)  
: (Jointly Administered)  
Debtors. : **Hearing: July 7, 2009 @ 11:30 AM (EST)**  
----- **Objections: June 30, 2009 @ 4:00 PM (EST)**

**MOTION OF THE DEBTORS FOR ENTRY OF ORDER GRANTING  
EXTENSION OF TIME TO FILE SCHEDULES OF ASSETS  
AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

Alset Owners, LLC, a Delaware limited liability company, and certain of its direct and indirect subsidiaries, debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), by and through their undersigned counsel, hereby move this Court (the “Motion”) for entry of an order granting the Debtors an extension of the time to file their schedules of assets and liabilities and statements of financial affairs (collectively, the “Schedules and Statements”). In support of the Motion, the Debtors respectfully represent:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The predicates for the relief requested herein are Rule 1007(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1007-1(b) of the

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<sup>1</sup> The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016).

3. Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

### **BACKGROUND**

4. On June 5, 2009 (the “Petition Date”), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

5. No trustee or examiner has been appointed in these chapter 11 cases, and no official committee of unsecured creditors has been established to date.

6. The events leading up to the Petition Date and the facts and circumstances supporting the relief requested herein are set forth in the Amended Declaration of Leonard Levitsky in Support of the Debtors’ Chapter 11 Petitions and First Day Relief (the “Levitsky Declaration”).

7. The Debtors are the largest franchisee of Checkers Drive-In Restaurants, Inc., the national franchisor of the Rally’s and Checkers’ restaurant chains. Specifically, Debtors Altes, LLC and Setla, LLC operate Rally’s restaurants in Arkansas, Missouri, Illinois, and Ohio. Checkers Michigan, LLC operated Checkers restaurants in Michigan but has recently ceased operations there.

8. At their peak, in 2007, the Debtors collectively operated approximately 120 restaurants with the Rally’s or Checkers brand in six states, and had over 2,500 employees. The competitive atmosphere, as well as the rise in food and labor costs, among other things, led the Debtors to restructure their operations starting in late 2007. As of the Petition Date, the Debtors operated 77 restaurants, down from their peak of about 120 restaurants in 2007.

## **RELIEF REQUESTED**

9. By this Motion, the Debtors seek entry of an order, pursuant to Bankruptcy Rule 1007(c) and Local Rule 1007-1(b), granting the Debtors an extension through and including July 31, 2009 to file their Schedules and Statements.

10. Given the size and scope of the Debtors' chapter 11 cases, and all of the other demands that have been placed on the Debtors and their employees in these cases, the Debtors will not be in a position to complete and file their Schedules and Statements within the 30-day extension period provided by the Bankruptcy Rules and the Local Rules. It is anticipated that the requested extension will provide the Debtors sufficient time to complete and file the Schedules and Statements. The Debtors respectfully seek to extend the deadline to file their Schedules and Statements in the manner set forth herein.

## **BASIS FOR RELIEF**

11. Pursuant to Bankruptcy Rule 1007(c) and Local Rule 1007-1(b), this Court is authorized to grant an extension in connection with the Schedules and Statements "for cause." Fed. R. Bankr. P. 1007(c); Del. Bankr. L.R. 1007-1(b).

12. The Debtors have filed their consolidated list of creditors, consolidated list of creditors holding the thirty (30) largest unsecured claims, and a list of equity security holders for each Debtor. The total number of actual or potential creditors in these jointly administered cases far exceeds 200. Accordingly, the deadline for filing the Schedules and Statements was automatically extended for thirty (30) days from the Petition Date. Del. Bankr. L.R. 1007-1(b). The extension requested herein is in addition to the automatic extension.

13. The Debtors' management and employees, together with their outside legal and financial advisors, have been working diligently to compile the information necessary

to complete the Schedules and Statements. Cause exists to extend the deadline for the filing of the Debtors' Schedules and Statements as requested herein, based on (i) the size and complexity of the Debtors' businesses; (ii) the number of Debtors and the number of potential creditors of the Debtors; and (iii) the numerous burdens imposed upon Debtors' personnel by these bankruptcy cases and the Debtors' reorganization efforts, as described below.

14. The Debtors maintain their extensive books and records and computerized accounting system, with Infosync Services ("Infosync"), an outside consultant. Completing the Schedules and Statements will require the collection, analysis, and compilation of a significant amount of data and coordination between the Debtors and Infosync. To illustrate, together the Debtors have more than 300 actual or potential creditors. One or more of the Debtors are parties to numerous contracts, leases, and licenses that must be assembled and reviewed as part of the process of completing the Schedules and Statements. There are only a handful of employees at the Debtors' home office that will be able to compile and analyze the data needed for the Schedules and Statements. The magnitude of the task, when taken together with (i) the considerable demands of preparing for the filing of these chapter 11 cases, (ii) the burdens of complying with all of the other administrative requirements in chapter 11 cases (including without limitation new Bankruptcy Rule 2015.3), (iii) the burdens associated with responding to numerous and time-consuming requests for information relating to first day motions, (iv) the burdens associated with the pending sales process, (v) the pre-existing, ongoing responsibilities of operating the Debtors' businesses day-to-day, and (vi) the tasks and duties associated with the Debtors' ongoing efforts to market and sell assets, constitutes ample cause in support of the requested extension.

15. The relief requested herein will not prejudice or adversely affect the rights of the Debtors' creditors or other parties-in-interest. No bar date for the filing of proofs of claim has yet been set in these cases. Rather, the requested extension will aid the Debtors' efforts to ensure the accuracy and completeness of the Schedules and Statements, which in turn will promote efficient administration of these chapter 11 cases.

16. Courts in this district routinely grant extensions of the period in which to file schedules of assets and liabilities and statements of financial affairs, with the period of the extension tracking the size and complexity of the cases in question. *See, e.g., In re SemCrude, L.P.*, Case No. 08-11525 (BLS) (Bankr. D. Del. Aug. 19, 2008) (60-day additional extension granted); *In re Hilex Poly Co. LLC*, Case No. 08-10890 (KJC) (Bankr. D. Del. May 7, 2008) (45-day additional extension granted); *In re Powermate Holding Corp.*, No. 08-10498 (KG) (Bankr. D. Del. Apr. 14, 2008) (granting a total extension of 74 days).

17. The complexity of the Debtors' businesses, their geographic scope, and their size all make completing the Schedules and Statements a significant and time-consuming undertaking. Accordingly, the Debtors respectfully request that this Court extend the date by which the Schedules and Statements are required to be filed, through and including July 31, 2009.

### NOTICE

18. Notice of this Motion has been provided to: (a) the Office of the United States Trustee; (b) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (c) Textron Financial Corporation; (d) counsel to Checkers Drive-In Restaurants, Inc.; and (e) any party filing a request for notice pursuant to Bankruptcy Rule 2002. In light of the nature of the

relief requested herein, the Debtors submit that no other or further notice is necessary or required.

**NO PRIOR REQUEST**

19. No previous application for the relief sought herein has been made to this Court or to any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order extending the deadline to file the Schedules and Statements through and including July 31, 2009 and granting such other and further relief as the Court deems just and proper.

Dated: June 19, 2009

**BLANK ROME LLP**

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