

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

In re:

RESTAURANTS ACQUISITION I, LLC,¹

Debtor.

Chapter 11

Case No. 15-12406 (____)

**DEBTOR'S MOTION FOR ENTRY OF AN
ORDER GRANTING AN (I) EXTENSION OF TIME TO FILE ITS
SCHEDULES AND STATEMENTS AND (II) RELATED RELIEF**

Restaurants Acquisition I, LLC (the "Debtor"), the debtor and debtor-in-possession in the above-captioned chapter 11 case (the "Chapter 11 Case"), by and through its undersigned counsel, hereby files this motion (the "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Order"), pursuant to section 521(a) of title 11 of the United States Code, (the "Bankruptcy Code"), Rules 1007(a)(3), (a)(5), (b), and (c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 1007-1 (b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"): (i) extending the time within which the Debtor must file its (a) statement of financial affairs, (b) schedule of assets and liabilities, (c) schedule of current income and expenditures, and (d) schedule of executory contracts and unexpired leases (collectively, the "Schedules and Statements"); and (ii) granting such other and further relief as requested herein or as the Court (defined herein) otherwise deems necessary or appropriate. In support of this Motion, the Debtor submits the *Declaration of W. Craig Barber in Support of Chapter 11 Petition and First Day Pleadings of Restaurants Acquisition I, LLC* (the "First Day

¹ The Debtor's mailing address is 313 East Main Street, Suite 2, Hendersonville, TN and the last four digits of its tax identification number are 8761.

Declaration”), which is being filed contemporaneously herewith and is incorporated herein by reference. In further support of this Motion, the Debtor respectfully states as follows:

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Rule 9013-1(f) of the Local Rules, the Debtor consents to the entry of a final order by the Court in connection with this Application to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

2. Venue in the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested herein is section 521(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rules 1007(a)(3), (a)(5), (b), and (c), and Local Rule 10074(b).

BACKGROUND

4. On the date hereof (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its businesses and manage its property as a debtor and debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in the Chapter 11 Case.

5. The Debtor operates a chain of full-service restaurants throughout Texas, largely located in the Dallas-Fort Worth and Houston metropolitan area, operating under the trade-

names Black-eyed Pea and Dixie House. As of January 1, 2015, the Debtor operated thirty (30) restaurant locations (generally, the “Prepetition Stores”).

6. Since late 2013, the Debtor has experienced a decline in its cash flow performance. At the same time, the Debtor’s occupancy costs outpaced its revenues over the same period, further eroding the Debtor’s profitability. Under these circumstances, and despite the Debtor’s best efforts, the Debtor began to fall behind on its obligations to creditors. The Debtor’s liquidity crisis also caused it to fall behind on its payments to various taxing authorities, including the federal government.

7. In December 2013 and again in April 2015, the Debtor engaged investment bankers to address a recapitalization or sale of the Debtor. The Debtor received no offers as a result of this process. Due to its lack of liquidity and its inability to attract new capital, the Debtor has not be able to maintain all of the Prepetition Stores. As of the Petition Date, the Debtor has ceased operations at and/or closed fifteen (15) of its Prepetition Stores; it continues to operate fourteen (14) Black-eyed Pea restaurants and one (1) Dixie House restaurant.²

8. Additional details regarding the Debtor’s business, assets, capital structure, and the circumstances leading to the filing of this Chapter 11 Case are set forth in the First Day Declaration filed contemporaneously herewith and incorporated herein by reference as though set forth in full.

SCHEDULES AND STATEMENTS

9. The Debtor has begun compiling the information required to complete its Schedules and Statements. Nevertheless, as a consequence of the complexity of the Debtor’s

² As of the Petition Date, the Debtor has been locked out of one of these operating Prepetition Stores.

business operations, coupled with the limited time and resources available, the Debtor has not yet finished gathering such information.

10. Given the numerous critical operational matters that the Debtor's accounting and legal personnel must address in the early days of this Chapter 11 Case, and the volume of information that must be reviewed, prepared, and included in its Schedules and Statements, the Debtor anticipates that it will be unable to complete its Schedules and Statements within the time required under Bankruptcy Rule 1007 and Local Rule 1007-1(b). Moreover, the Debtor respectfully submits that focusing the attention of key accounting and legal personnel on vital operational and restructuring matters during the critical first weeks after filing the Chapter 11 Case, rather than on preparing its Schedules and Statements, will facilitate the Debtor's smooth transition into chapter 11 and maximize the value of the Debtor's estate for the benefit of creditors and all parties in interest. Accordingly, the Debtor seeks a 30-day extension of the deadline to file its Schedules and Statements with the Court through and including February 2, 2016.

RELIEF REQUESTED

11. By this Motion, the Debtor seeks entry of the Order, pursuant to section 521(a) of the Bankruptcy Code, Bankruptcy Rules 1007(a)(3), (a)(5), (b), and (c), and Local Rule 1007-1(b), (a) extending the time within which the Debtor must file its Schedules and Statements by an additional 30 days beyond the deadline currently set by Local Bankruptcy Rule 1007-1 (b) and (b) granting such other and further relief as requested herein or as the Court otherwise deems necessary or appropriate.

BASIS FOR RELIEF

12. Section 521(a) of the Bankruptcy Code and Bankruptcy Rules 1007(b) and (c) require a debtor to file its schedules of assets and liabilities and its statement of financial affairs with the Court within 14 days of filing its chapter 11 petition.

13. However, Local Rule 1007-l(b) provides:

In a voluntary chapter 11 case, if the bankruptcy petition is accompanied by a list of all the debtor's creditors and their addresses, in accordance with Local Rule 1007-2, and if the total number of creditors in the debtor's case (or, in the case of jointly administered cases, the debtors' cases) exceeds 200, the time within which the debtor shall file its Schedules and Statement of Financial Affairs required under the FED. R. BANKR. P. shall be extended to thirty (30) days from the petition date. Any further extension shall be granted, for cause, only upon filing of a motion by the debtor on notice in accordance with these Local Rules.

Del. Bankr. L.R. 1007-l(b).

14. The Debtor requires extra time to prepare and file its Schedules and Statements. While the Debtor has commenced the task of gathering the necessary information that will enable it to finalize the Schedules and Statements, the nature and scope of the Debtor's operations requires it to maintain voluminous records and intricate accounting systems. The Debtor also has limited staff available to perform the required internal review of such financial records and affairs. Thus, the scope of the Debtor's business, the limited staff available to perform the required preparation activities, the numerous critical operational matters that its accounting and legal personnel must address in the early weeks of the Chapter 11 Case, the pressures incident to the commencement of the Chapter 11 Case, and the fact that certain prepetition invoices have not yet been received or entered into its accounting systems provide ample cause justifying, if not necessitating, a 30-day extension of the deadline to file its Schedules and Statements.

15. In addition, preparing and finalizing its Schedules and Statements within the next month will unnecessarily distract management's and the Debtor's professionals' attention from (a) focusing on the Debtor's business operations and reorganization efforts, including preservation of relationships with creditors and other parties-in-interest and (b) ensuring the Debtor's smooth transition into chapter 11 during a sensitive time. Moreover, the proposed extension of the filing deadline will not prejudice creditors and other parties-in-interest because the Debtor will work with the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") and any statutory committee appointed in the Chapter 11 Case to make available sufficient financial data and creditor information to permit at least an initial meeting, pursuant to section 341 of the Bankruptcy Code, to be timely held, if scheduled before the filing of its Schedules and Statements.

16. Courts in this district have regularly granted relief similar to that requested herein. *See, e.g., In re Washington Mutual Inc.*, Case No. 08-12229 (MFW) (Bankr. D. Del. Oct. 7, 2008) (order granting 90-day extension of time for filing schedules and statements, for total of 120 days from petition date); *In re WP Steel Venture LLP*, Case No. 12-11661 (KJC) (Bankr. D. Del. June 1, 2012) (order granting 45-day extension for filing schedules and statements, for total of 75 days from petition date); *In re NewPage Corp.*, Case No. 11-12804 (KG) (Bankr. D. Del. Oct. 4, 2011) (order granting 45-day extension of time for filing schedules and statements for total of 75 days from petition date); *In re Primus Telecommunications Group, Inc.*, Case No. 09-10867 (KG) (Bankr. D. Del. Mar. 26, 2009) (order granting 45-day extension of time for filing schedules and statements, for total of 60 days from petition date).

17. Accordingly, the Debtor submits that its request for a 30-day extension of the deadline to file its Schedules and Statements is consistent with precedent in this district and is appropriate and warranted under the circumstances.

NO PREVIOUS REQUEST

18. No prior motion for the relief requested herein has been made by the Debtor to this or any other court.

NOTICE

19. The Debtor will provide notice of this Motion to: (a) the Office of the U.S. Trustee; (b) the holders of the 20 largest unsecured claims against the Debtor; (c) the United States Attorney's Office for the District of Delaware; (d) the Internal Revenue Service; (e) Grove Family Investments, L.P. and its counsel; (f) CNL Financial Group, Inc. and its counsel; (g) American Express Bank, FSB and its counsel; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking "first day" relief, within two business days of the hearing on this Motion, the Debtor will serve copies of this Motion and any order entered with respect to this Motion as required by Local Rule 9013-1(m). The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

[Remainder of Page Left Intentionally Blank]

WHEREFORE, for the reasons set forth above and in the First Day Declaration, the Debtor respectfully requests that the Court enter the Order substantially in the form attached hereto as **Exhibit A** (i) extending the time within which the Debtor must file its Schedules and Statements and (ii) granting such other and further relief as requested herein or as the Court otherwise deems necessary or appropriate.

Respectfully submitted,

Dated: December 2, 2015

DUANE MORRIS LLP

/s/ Sommer L. Ross

Sean J. Bellew (DE 4072)

Sommer L. Ross (DE 4598)

Jarret P. Hitchings (DE 5564)

222 Delaware Avenue, Suite 1600

Wilmington, DE 19801-1659

Telephone: 302.657.4900

Facsimile: 302.657.4901

sjbellew@duanemorris.com

slross@duanemorris.com

jphitchings@duanemorris.com

Proposed Counsel to Debtor and Debtor-in-Possession Restaurants Acquisition I, LLC

EXHIBIT A

Proposed Order

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

In re:

RESTAURANTS ACQUISITION I, LLC,¹

Debtor.

Chapter 11

Case No. 15-12406 (____)

Related to Docket No. ____

**ORDER GRANTING (I) EXTENSION OF TIME
TO FILE SCHEDULES AND STATEMENTS AND (II) RELATED RELIEF**

Upon the Motion (the “Motion”)² of Restaurants Acquisition I, LLC, debtor and debtor-in-possession (the “Debtor”) in the above-captioned chapter 11 case (the “Chapter 11 Case”), for entry of an order (the “Order”), pursuant to section 521(a) of the Bankruptcy Code, and Bankruptcy Rules 1007(a)(3), (a)(5), (b), and (c), and Local Rule 1007-1 (b), (i) extending the time within which the Debtor must file its Schedules and Statements and (ii) granting such other and further relief as requested in the Motion or as the Court otherwise deems necessary or appropriate; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties-in-interest; and the Court having found that the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other

¹ The Debtor’s mailing address is 313 East Main Street, Suite 2, Hendersonville, TN and the last four digits of its tax identification number are 8761.

² Capitalized terms used but not otherwise defined herein have the meanings set forth in the Motion or the First Day Declaration, as applicable.

notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having heard the statements in support of the relief requested in the Motion at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.
2. The Debtor shall have an additional 30 days from the deadline by which the Debtor must file its Schedules and Statements, through and including February 2, 2016, without prejudice to the Debtor's right to seek further extensions.
3. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
4. The Court retains jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order.

Dated: December ____, 2015
Wilmington, Delaware

United States Bankruptcy Judge