

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)	Bankruptcy Case #
PREMIER KINGS, INC., <i>et al</i> ¹)	23-02871-TOM-11
Debtor)	
)	Jointly Administered

**BANKRUPTCY ADMINISTRATOR’S LIMITED OBJECTION TO DEBTOR’S
MOTION FOR ENTRY OF FINAL ORDERS APPROVING CASH MANAGEMENT
SYSTEM AND AUTHORIZING DEBTORS TO CONTINUE USING EXISTING BANK
ACCOUNTS AND BUSINESS FORMS, INCLUDING WAIVER OF REQUIREMENTS
OF 11 U.S.C. 345**

The Bankruptcy Administrator for the Northern District of Alabama (hereinafter “B.A.”) by and through the undersigned as counsel, files this limited objection to the Motion of the Debtors for Entry of Final Order Approving Cash Management System and Authorizing the Debtor to Continue Using Existing Bank Accounts and Business Forms, and states as follows:

1. The Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the U.S. Bankruptcy Code on October 25, 2023 (Doc.#1).
2. A Motion Approving Cash Management System and Authorizing the Debtor to Continue Using Existing Bank Accounts and Business Forms (Doc. #7)(hereinafter “Cash Management Motion”), was filed October 25, 2023.
3. The Cash Management Motion seeks a waiver of the requirement under 11 U.S.C. §345 that an entity holding estate funds in excess of the FDIC coverage, must obtain a bond or deposit securities.
4. Upon information and belief the B.A. believes that only the three (3) Truist Bank Operating Accounts may exceed the \$250,000.00 FDIC coverage. Upon information and belief, Truist Bank does not wish to take steps to collateralize excess funds
5. 11 U.S.C. 345(b) governs the protection of estate funds and generally provides that an entity holding estate funds that are not “insured or guaranteed by the United States” is required to obtain a bond or deposit securities ***“unless the court for cause orders otherwise.”*** (Emphasis added).
6. The B.A. believes that to obtain a waiver of the 11 U.S.C. §345(b) requirement, the debtor must establish—and the court must find---that “cause” exists.

¹The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification numbers are: Premier Kings, Inc. (3932); Premier Kings of Georgia, Inc. (9797); and Premier Kings of North Alabama, LLC (9782). The Debtors’ address is 7078 Peachtree Industrial Blvd., Suite #800, Peachtree Corner:



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7. The B.A. believes “cause” in order to obtain a waiver of §345, is essentially a “totality of the circumstances” analysis of various factors, particular to each case. *See, In re: King Mountain Tobacco Co.*, 623 B.R. 323 (Bankr. E.D. Wash. 2020); *In re Service Merchandise Co.*, 240 B.R. 894 (Bankr. M.D. Tenn. 1999).

WHEREFORE, these premises considered, the Bankruptcy Administrator respectfully requests that unless the debtors establish that “cause exists,” this Court grant the Bankruptcy Administrator’s Limited Objection and deny a waiver of 11 U.S.C. 345.

Respectfully submitted this the 10th day of November, 2023.

/s/ Jon A. Dudeck

Jon A. Dudeck

Assistant U.S. Bankruptcy Administrator

UNITED STATES BANKRUPTCY ADMINISTRATOR

Northern District of Alabama
Robert S. Vance Federal Building
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CERTIFICATE OF SERVICE

I hereby certify to the Court that on November 10, 2023, I electronically filed the above and foregoing with the court’s CM/ECF system, which will send notification of such filing to all parties requesting electronic service via CM/ECF, including the following parties via CM/ECF or email:

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/s/ Jon A. Dudeck

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