

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

In re:)
)
PREMIER KINGS, INC., *et al.*,¹) Chapter 11
)
Debtors.) CASE NO.: 23-02871-TOM-11
)
) Jointly Administered
)

**OBJECTION OF PREMIER HOLDINGS, LLC,
PREMIER HOLDINGS OF GEORGIA, LLC, PREMIER KINGS HOLDINGS, LLC,
PREMIER KINGS HOLDINGS OF ALABAMA, LLC, AND PREMIER KINGS
HOLDINGS OF GEORGIA, LLC TO MOTIONS FOR EXAMINATION FILED BY
MARK SMITH AS PLAN ADMINISTRATOR**

COMES NOW, Premier Holdings, LLC, Premier Holdings of Georgia, LLC, Premier Kings Holdings, LLC, Premier Kings Holdings of Alabama, LLC, and Premier Kings Holdings of Georgia, LLC (collectively, “Holdings”), and submits this its objection (this “Objection”) to the *Motions for Examination* filed by Mark Smith as Plan Administrator [Docs. No. 701, 702, 703, 704, and 705] (the “Motions”). In support of this Objection, Holdings states as follows:

JURISDICTIONAL INFORMATION

1. On or about October 25, 2023 (the “Petition Date”), Debtors filed for bankruptcy protection under Chapter 11 of 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”). Upon confirmation of the *Second Amended Plan of Liquidation under Chapter 11 of the Bankruptcy Code Proposed by the Debtor* [Doc. No. 554] (the “Plan”) on May 1, 2024, Mark Smith (the “Plan Administrator”) was appointed to assist in implementation of the Plan.

¹ The Debtors in these cases are: Premier Kings, Inc.; Premier Kings of Georgia, Inc.; and Premier Kings of North Alabama, LLC. The Court has entered an order for joint administration on October 30, 2023 [Doc. No. 84].



2302871240618000000000008

2. This Court has jurisdiction over the Motions and this Objection pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of Debtors' Chapter 11 case, the Motions, and this Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND FACTS

3. Holdings and Debtors were both owned, in whole or in part, by Manraj Sidhu ("Sidhu"). Traditionally, and with some exceptions, Holdings incurred debts under certain real estate loans (the "Loans") to (a) acquire real property to be remodeled in which Debtors could operate Burger King restaurants and/or (b) equip said restaurants as necessary to operate them as Burger King restaurants. Holdings then leased the fully built and equipped Burger King restaurants to the Debtors via the certain commercial real property leases (the "Leases"). Under the terms of the Leases, Debtors made monthly rental payments to Holdings, some of which were described as "debt service" payments. As of the Petition Date, Debtors and Holdings were parties to over fifty (50) Leases throughout Alabama, Georgia, and Tennessee for the operation of Burger King restaurants (the "Restaurants").

4. Following Sidhu's death in May of 2022, Aurora Management Partners, Inc. ("Aurora") was installed as a Chief Restructuring Officer for the Debtors, which was followed by the Debtor's filing of the petitions for relief under chapter 11 of the Bankruptcy Code on the Petition Date (the "Bankruptcy"). Upon information and belief, Aurora secured an insurance policy providing for director and officer's liability for the Debtors but, prior to Aurora securing the same, no such insurance policy existed as to the Debtors or Holdings.

5. On June 11, 2024, the Plan Administrator filed the Motions in which the Plan Administrator requested that he be permitted to obtain expedited document production and 2004 examinations as to the following documents and topics:

- (a) All communications between the Company and You related to any of the Company's obligations to You, including but not limited to documented leases, undocumented leases, or debtor-creditor obligations.
- (b) All internal communications concerning any of the Company's obligations to You.
- (c) A lease history report for any of the Company's lease obligations to You.
- (d) A loan history report for each of the Company's obligations to You.
- (e) All due diligence You performed prior to extending credit to, or entering into a lease with, the Company.

6. The Plan Administrator set the time period for these requests from January 1, 2019, to present day, or a period of over five (5) years. [Doc. No. 705, Ex. B.] The Plan Administrator also demanded that Holdings provide the requested documents by no later than June 28, 2024, or seventeen (17) days following the date of the filing of the Motions, and eight (8) days following the date of the hearing set on the Motions. [Doc. No. 705, Ex. A.]

7. Upon information and belief, Aurora has already compiled most or all of the information requested by the Plan Administrator. Those documents should have already been provided by Aurora to the Plan Administrator.

8. In the *Omnibus Motion for Expedited Hearing*, the Plan Administrator cited a deadline to assert claims under certain directors and officers insurance, allegedly July 31, 2024, as the reason for the expedited nature of the Motions. [Doc. No. 706, ¶ 12.] The Plan Administrator has not provided any evidence that such an insurance policy exists, nor that the deadline to file claims under such insurance policy is, in fact, July 31, 2024.

9. Importantly, and as stated above, upon information and belief, there is no insurance policy that was in effect for Debtors or Holdings' director and officer's liability (and the insurance policy obtained by Aurora applies only to the Debtors).

10. On June 12, 2024, the Court granted the Plan Administrator's Omnibus Motion for Expedited Hearing, and set the Motions for hearing on June 20, 2024 at 9:00 AM (Central) (the "Hearing"). [Doc. No 708].

OBJECTION

11. Holdings objects to the Motions to the extent that the requests for production contained in the Motions are overly-broad, oppressive, and burdensome. The requests, as written, would effectively require Holdings to compile and produce an inordinate amount of documents and communications dating back five (5) years. Not only would this endeavor be incredibly expensive for Holdings, it would also be extraordinarily time-consuming, and further compounded by the Plan Administrator's alleged expedient nature of the Motions.

12. Additionally, upon information and belief, Aurora has already compiled most or all of the documents requested in the discovery requests, which means that the Plan Administrator should already have access to these documents. Requiring Holdings to repeat what Aurora has already been done is an unnecessary hardship on Holdings.

13. In addition to the overly-broad nature of the requests for production in the Motions, the Plan Administrator has set a date of June 28, 2024 as the requested deadline for Holdings to provide the documents requested in the Motion. June 28, 2024 is a mere seventeen (17) days from the date of the filing of the Motions, and only eight (8) days from the date of the hearing set on the Motions. This short timeline, in connection with the overly-broad nature of the requests for production in the Motions, causes Holdings' ability to comply with the production to be nearly impossible, if not entirely impossible.

14. The only individual who can gather, compile, and review the requested communications and reports for Holdings will be out of the country and unavailable from June 20, 2024 through June 30, 2024. Because this individual will be unavailable for a substantial

portion of the already short deadline to produce documents, Holdings' ability to comply with the timeframes set forth in the Motions is further impaired.

15. The Plan Administrator was appointed on May 1, 2024. Nevertheless, the Plan Administrator has waited nearly a month and a half to file the Motions, making it unduly burdensome for Holdings to comply with the Motions in light in the time-frame given.

16. Additionally, as previously stated, the Plan Administrator claims the expedited deadlines are necessary to meet a deadline of July 31, 2024 to assert claims under an alleged insurance policy for director and officer's liability. Despite Holdings' request, the Plan Administrator has not provided any evidence, or any information whatsoever, to indicate that a relevant insurance policy even exists. Prior to demanding that Holdings spend substantial, time, effort, and money to produce the documents requested in the Motions, the Plan Administrator should provide some proof that a relevant insurance policy exists which would cover the time periods set forth in the requests for documents propounded in the Motions.

17. If Aurora has already compiled these documents and should have provided them to the Plan Administrator, the Motions should be denied. Additionally, if there is no relevant insurance policy, the Motions should be denied. If the Plan Administrator indeed has a good faith basis to seek Rule 2004 discovery, then the Plan Administrator should propound more targeted requests for production and permit Holdings a longer time in which to produce such documents.

18. Holdings joins in all other objections to the Plan Administrator's motions for examination, to the extent not contrary to Holdings' positions, as set forth in this Objection.

CONCLUSION

For all of the above reasons, the Court should deny the Motions.

DATED this the 18th day of June, 2024.

/s/ Heather A. Jamison

Heather A. Jamison

Chloe E. Champion

Counsel for Premier Holdings, LLC, Premier Holdings of Georgia, LLC, Premier Kings Holdings, LLC, Premier Kings Holdings of Alabama, LLC, and Premier Kings Holdings of Georgia, LLC

OF COUNSEL:

BURR & FORMAN LLP
420 North 20th Street, Suite 3400
Birmingham, Alabama 35203
Telephone: (205) 251-3000
Facsimile: (205) 458-5100
Email: hjamison@burr.com
cchampion@burr.com

CERTIFICATE OF SERVICE

Service of the foregoing shall be made via ECF to all parties entitled to notice thereunder, and to the following via e-mail, and if e-mail is not available via U.S. mail, on this the 18th day of June, 2024:

Bill D. Bensinger
Christian & Small, LLP
1800 Financial Center
505 North 20th Street
Birmingham, AL 35203
bdb@csattorneys.com

/s/ Heather A. Jamison

OF COUNSEL