

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

In re:

PREMIER KINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-02871 (TOM11)

(Jointly Administered)

PREMIER KINGS, INC., PREMIER KINGS
OF GEORGIA, INC. AND PREMIER
KINGS OF NORTH ALABAMA, LLC,

Plaintiffs,

Adv. Proc. No.

v.

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,

Defendants.

**COMPLAINT FOR DECLARATORY RELIEF TO DETERMINE DEBTORS' RIGHTS
TO PROPERTY OF THEIR BANKRUPTCY ESTATES**

Plaintiffs Premier Kings, Inc. ("PK Inc."), Premier Kings of Georgia, Inc. ("PKGA Inc.") and Premier Kings of North Alabama, LLC ("PKNA LLC", and together with PK Inc. and PKGA Inc., "Plaintiffs" or "Debtors"), file this *Complaint for Declaratory Relief to Determine Debtors' Rights to Property of their Bankruptcy Estates* against Defendants Premier Holdings, LLC,

¹ The 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 (9282). The Debtors' address is 7078 Peachtree Industrial Blvd., Suite #800, Peachtree Corners, GA 30071. The Debtors have filed a motion for joint administration with the Court.



Premier Holdings of Georgia, LLC, Premier Kings Holdings, LLC, Premier Kings Holdings of Alabama, LLC and Premier Kings Holdings of Georgia, LLC (collectively, “Defendants”, and together with Plaintiffs, the “Parties”) and allege as follows:

NATURE OF THE ACTION

1. This is an adversary proceeding seeking a declaratory judgment to determine the Parties’ interest in certain furniture, furnishings, fixtures, kitchen equipment, and other machinery and equipment (“Equipment”) located in the Burger King restaurants owned and operated by the Debtors. As explained below, the Debtors have filed a motion to sell all or substantially all of their assets to three stalking horse purchasers, subject to higher and otherwise better bids, including the Equipment located in the restaurants that they own and operate on real property owned by the Defendants. However, the Defendants have asserted that some of the personal property that the Debtors seek to sell is not owned by the Debtors, and instead is owned by the Defendants.

2. Accordingly, the Debtors seek a judicial declaration that they own all of the Equipment located in the Burger King restaurants that they own and operate on real property leased from the Defendants, and that the Debtors’ interests in all such Equipment are property of their estates under section 541 of the Bankruptcy Code.

THE PARTIES

3. Premier Kings, Inc. is a corporation formed under the laws of Alabama with its principal place of business located at 7078 Peachtree Industrial Blvd., Suite 800, Peachtree Corners, Georgia 30071. Premier Kings, Inc. is a debtor and debtor in possession in the above-captioned jointly administered chapter 11 proceeding pending in this Court.

4. Premier Kings of Georgia, Inc. is a corporation formed under the laws of Georgia with its principal place of business located at 7078 Peachtree Industrial Blvd., Suite 800, Peachtree Corners, Georgia 30071. Premier Kings of Georgia, Inc. is a debtor and debtor in possession in

the above-captioned jointly administered chapter 11 proceeding pending in this Court.

5. Premier Kings of North Alabama, LLC is a limited liability company formed under the laws of Alabama with its principal place of business located at 7078 Peachtree Industrial Blvd., Suite 800, Peachtree Corners, Georgia 30071. Premier Kings of North Alabama, LLC is a debtor and debtor in possession in the above-captioned jointly administered chapter 11 proceeding pending in this Court.

6. Upon information and belief, Premier Holdings, LLC is a limited liability company formed under the laws of Alabama.

7. Upon information and belief, Premier Holdings of Georgia, LLC is a limited liability company formed under the laws of Georgia.

8. Upon information and belief, Premier Kings Holdings, LLC is a limited liability company formed under the laws of Alabama.

9. Upon information and belief, Premier Kings Holdings of Alabama, LLC is a limited liability company formed under the laws of Alabama.

10. Upon information and belief, Premier Kings Holdings of Georgia, LLC is a limited liability company formed under the laws of Georgia.

JURISDICTION AND VENUE

11. This adversary proceeding arises under, arises in and relates to the above-captioned jointly administered chapter 11 proceeding pending before this Court.

12. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334 and the *General Order of Reference from the United States District Court for the Northern District of Alabama*, dated July 16, 1984. This Court has jurisdiction to grant the relief sought herein under the Federal Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.* As described in greater detail below, there is an actual case and controversy under 28 U.S.C. §

2201(a).

13. This adversary proceeding is a core proceeding under 28 U.S.C. § 157(b)(2). Accordingly, this Court may enter a final order or judgment consistent with Article III of the United States Constitution, and the Debtors consent to entry of a final order or judgment by this Court.

14. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409 and Rule 1073-1 of the Local Rules of the United States Bankruptcy Court, Northern District of Alabama.

15. The statutory predicates for the relief requested herein are sections 105 and 541 of the Bankruptcy Code, 28 U.S.C. § 2201, *et seq.* and Rules 7001 and 7003 of the Federal Rules of Bankruptcy Procedure.

RELEVANT FACTS

16. The Debtors were founded in 2009 for the purpose of owning and operating Burger King restaurants as franchisees pursuant to certain franchise agreements with Burger King Corporate, Inc. (“BKCI”). As of October 25, 2023, the Debtors collectively owned and operated 172 restaurants throughout Alabama, Georgia, Tennessee, South Carolina and Florida under separate franchise agreements.

17. The Debtors, with a few exceptions, do not own any real property, but instead lease the premises where the Burger King restaurants are located from various landlords. Each of the Debtors’ restaurants is subject to its own lease agreement between one or more of the Debtors and various lessors, including BKCI and the Defendants, affiliates of the Debtors through common ownership by the decedent’s estate of Manraj Sidhu. Specifically, the Debtors and the Defendants are parties to over fifty commercial real property leases which are listed in **Exhibit A**.

18. Each of the Burger King restaurants owned and operated by the Debtors include Equipment used to operate the restaurant, including without limitation fryers, ovens, refrigerators

and other essential equipment used in the operation of the restaurant. The Equipment are removable trade fixtures and personal property owned by the Debtors.

19. Personal property tax returns filed by the Debtors listed the Equipment in the itemized statement of personal property, including without limitation ovens, microwaves, fryers, freezers and other kitchen and restaurant equipment. As a result, the Debtors paid taxes on the Equipment. Similarly, the federal income tax returns filed by the Debtors under penalty of perjury identify the Equipment as property owned by the Debtors. Accordingly, the Debtors maintain that the Equipment is owned by the Debtors.

20. On October 25, 2023 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Each of the Debtors’ bankruptcy cases is being jointly administered. Since the Petition Date, the Debtors have remained in possession of their assets as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. The Debtors continue to operate their businesses during the chapter 11 case while conducting a sale process for the sale of substantially all of their assets, including the Equipment located in the Burger King restaurants to be sold.

21. By an Order entered on November 20, 2023 [Dkt. No. 232], the Court approved bidding procedures and granted other related relief for the sale of substantially all of the Debtors’ assets. The Debtors’ motion for approval of the sale of substantially all of their assets, including the Equipment located in the Burger King restaurants, is scheduled to be heard by the Court on December 11, 2023.

22. More specifically, the Debtors have entered into three separate stalking horse asset purchase agreements with RRG of Jacksonville, LLC for the purchase of 44 restaurants, Newell-Berg Alliance AL, LLC and Newell-Berg Alliance TN II, LLC for the purchase of 31 restaurants

and Bulldog Restaurants, LLC for the purchase of 49 restaurants. Each stalking horse asset purchase agreement sets forth the assets to be sold to the stalking horse purchasers, subject to higher and otherwise better offers. The assets to be sold include, among other things, all furniture, furnishings, fixtures, signage, security systems, point-of-sale systems, computer equipment, alarm systems, cameras, kitchen equipment, equipment and machinery within the four walls of each Burger King restaurant being acquired. In other words, the stalking horse purchasers have bid on, and intend to purchase if they are the successful bidders, the Equipment located in the Burger King restaurants owned and operated by the Debtors. The Debtors expect to receive additional bids that may also include restaurants not currently subject to a contract, and all such bids are expected to include all Equipment in any of the restaurants to be sold.

23. The Equipment are essential to a successful sale of the Debtors' assets under the stalking horse asset purchase agreements (as well as any asset purchase agreement with higher and otherwise better bidders) in order to maximize value for the benefit of the Debtors' estates and creditors.

24. There is a bona fide dispute regarding the Defendants' interests in the Equipment located in the Burger Kings restaurants owned and operated by the Debtors and leased by the Defendants and whether such assets are property of the estate under section 541 of the Bankruptcy Code.

COUNT I
(Declaratory Judgment Against All Defendants)

25. Plaintiffs incorporate and restate by reference their above allegations as if fully set forth herein.

26. Pursuant to 28 U.S.C. § 2201, *et seq.*, the Court has the power to "declare the rights and other legal relations of any interested party seeking such declaration, whether or not further

relief is or could be sought.”

27. Pursuant to section 541 of the Bankruptcy Code, property of the estate includes “all legal or equitable interests of the debtor in property as of the commencement of the case.”

28. The Equipment located in the Burger King restaurants that they own and operate are removable trade fixtures that are not property of the Defendants, but instead personal property of the Debtors.

29. The Debtors own all of the Equipment located in the Burger King restaurants that they own and operate on real property owned by the Defendants.

30. The Defendants assert an interest in certain of the Equipment located in some of the Burger King restaurants owned and operated by the Debtors.

31. The foregoing facts demonstrate the existence of an actual, justiciable controversy involving specific, adverse claims regarding the rights and obligations of the Parties, including the Parties’ interests in the Equipment located in the Burger King restaurants owned and operated by the Debtors and leased from the Defendants, which claims are ripe for adjudication.

32. All facts necessary for an adjudication of this dispute have occurred.

33. The prompt resolution of this matter will assist the Parties in determining their respective rights and obligations, particularly where, as here, the ability of the Debtors to sell the Equipment in the chapter 11 case depends, in part, on resolution of this dispute.

34. Accordingly, the Debtors seek a judicial declaration that they own all of the Equipment located in the Burger King restaurants that they own and operate on real property owned by the Defendants, and that the Debtors’ interests in all such Equipment are property of their estates under section 541 of the Bankruptcy Code.

WHEREFORE, the Plaintiffs respectfully request that the Court enter judgment in their favor and against the Defendants as follows:

- A. Declaring that the Plaintiffs own all of the Equipment located in the Burger King restaurants operated by the Plaintiffs and located on real property owned by the Defendants;
- B. Declaring that the Plaintiffs' interests in the Equipment are property of the Debtors' estates under section 541 of the Bankruptcy Code; and
- C. Granting Plaintiffs such other and further relief as the Court deems just and proper.

Dated: November 29, 2023
Birmingham, Alabama

/s/ Gary H. Leibowitz
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Proposed Attorneys for the Debtors and Debtors in Possession and Plaintiffs

**Admitted Pro Hac Vice*

EXHIBIT A

Store Number	Store Address	Lessee	Lessor
2616	504 North Main Street Tuskegee, AL 36083	Premier Kings, Inc.	Premier Kings Holdings, LLC
5090	1086 Hwy 20 West #5090 McDonough, GA 30253	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
5266	2357 Main Street Snellville, GA 30078	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
6207	2230 Salem Road Conyers, GA 30013	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
6455	1950 Eatonton Highway Madison, GA 30650	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
6584	472 East 3rd Street Jackson, GA 30233	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
8907	1162 Boone Ave Ext E Kingsland, GA 31548	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
10241	13060 Highway 251 Darien, GA 31305	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
10728	53 South Broad Street Porterdale, GA 30014	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
12107	115 Golden Isles Plaza Brunswick, GA 31520	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
12792	3527 Highway 84 West Blackshear, GA 31516	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
13212	323 Main St. W. Rainsville, AL 35986	Premier Kings of North Alabama, LLC	Premier Kings Holdings of Alabama, LLC
13243	154 S. Main St. Baxley, GA 31513	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
13368	81 Fairview Rd #13368 Ellenwood, GA 30294	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
14210	3580 Centerville Highway Snellville, GA 30039	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
15499	13049 North Main St #15499 Jacksonville, FL 32218	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
18108	7581 Mobile Highway Hope Hull, AL 36043	Premier Kings, Inc.	Premier Kings Holdings, LLC
18307	2232 East South Blvd #18307 Montgomery, AL 36116	Premier Kings, Inc.	Premier Kings Holdings, LLC
19242	819 Ann Street #19242 Montgomery, AL 36107	Premier Kings, Inc.	Premier Kings Holdings, LLC
19875	1003 Highway 80 East Demopolis, AL 36732	Premier Kings, Inc.	Premier Kings Holdings, LLC
19958	3016 Allison Bonnett Memorial Drive Hueytown, AL 35023	Premier Kings, Inc.	Premier Kings Holdings, LLC
21340	14637 Hwy 231/431 Hazel Green, AL 35750	Premier Kings of North Alabama, LLC	Premier Kings Holdings, LLC
21471	3190 Taylor Rd Montgomery, AL 36116	Premier Kings, Inc.	Premier Kings Holdings, LLC
21654	4010 Atlanta Highway Montgomery, AL 36108	Premier Kings, Inc.	Premier Kings Holdings, LLC
22426	2060 West Spring St Monroe, GA 30655	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
22803	1630 Federal Drive	Premier Kings, Inc.	Premier Kings Holdings

	Montgomery, AL 36117		of Alabama, LLC
22814	26383 Main St Ardmore, TN 38449	Premier Kings of North Alabama, LLC	Premier Kings Holdings, LLC
22834	1484 Forestdale Blvd Forestdale, AL 35214	Premier Kings, Inc.	Premier Kings Holdings of Alabama, LLC
22937	8670 Hwy 72 aka 8680 Hwy 72 Madison, AL 35758	Premier Kings of North Alabama, LLC	Premier Kings Holdings of Alabama, LLC
23135	850 Northeastern Blvd Montgomery, AL 36117	Premier Kings, Inc.	Premier Kings Holdings, LLC
23235	3035 Jeff Rd #23235 Harvest, AL 35749	Premier Kings of North Alabama, LLC	Premier Kings Holdings of Alabama, LLC
23237	4137 US Hwy 72 Stevenson, AL 35772	Premier Kings of North Alabama, LLC	Premier Kings Holdings of Alabama, LLC
23806	2430 Osborne Rd St. Mary's, GA 31558	Premier Kings of Georgia, Inc.	Premier Kings Holdings of Georgia, LLC
24563	123 Premier Drive Geneva, AL 36340	Premier Kings, Inc.	Premier Kings Holdings, LLC
24564	5960 Highway 72 East Gurley, AL 35748	Premier Kings of North Alabama, LLC	Premier Kings Holdings, LLC
24565	16752 US Hwy 431 South Headland, AL 36345	Premier Kings, Inc.	Premier Kings Holdings, LLC
25565	30024 State Hwy 79 Locust Fork, AL 35097	Premier Kings, Inc.	Premier Holdings, LLC
25607	1010 Hospitality Drive Greensboro, GA 30642	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
25743	122 Carl Cannon Blvd Jasper, AL 35501	Premier Kings, Inc.	Premier Holdings, LLC
25882	106 N Duval St Claxton, GA 30417	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
25937	4660 Hwy 17 Richmond Hill, GA 31324	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
26579	22182 AL 216 McCalla, AL 35111	Premier Kings, Inc.	Premier Holdings, LLC
26748	515 Carrolton St Temple, GA 30179	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
26749	13708 East Oglethorpe Hwy Midway, GA 31320	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
26868	7304 Hwy 21 Port Wentworth, GA 31407	Premier Kings of Georgia, Inc.	Port Wentworth, GL to Premier Kings of GA. PK-GA pays devel fee to PHGA
26914	395 Main St Shorter, AL 36075	Premier Kings, Inc.	Premier Holdings, LLC
27281	5482 Hwy 280 Harpersville, AL 35078	Premier Kings, Inc.	Premier Holdings, LLC
27690	13200 W Cleveland Street Nahunta, GA 31553	Premier Kings of Georgia, Inc.	Premier Holdings of Georgia, LLC
28954	204 US 278 Piedmont, AL 36272	Premier Kings of North Alabama, LLC	Premier Holdings, LLC
29043	4240 Florence Blvd Florence/Killen, AL 35634	Premier Kings of North Alabama, LLC	Premier Holdings, LLC
29513	103 North Military Street Loretto, TN 38469	Premier Kings of North Alabama, LLC	Premier Holdings, LLC