

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

In re:

PREMIER KINGS, INC., *et al.*,<sup>1</sup>

Debtors.

(Chapter 11)

Case No. 23-02871-TOM

Jointly Administered

PREMIER KINGS, INC., *et al.*,

Plaintiffs

v.

PREMIER HOLDINGS, LLC, *et al.*,

Defendants.

AP No. 23-00047-TOM

**DEBTORS' MOTION PURSUANT TO BANKRUPTCY  
RULE 9019 FOR APPROVAL OF SETTLEMENT OF CLAIMS AGAINST THE  
DISPUTED CLAIMS RESERVE FUND**

Premier Kings, Inc., Premier Kings of North Alabama, LLC and Premier Kings of Georgia, Inc., (the “Debtors” and/or “Plaintiffs”), by and through their undersigned counsel and pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), hereby request the entry of an Order approving a settlement between the Plaintiffs and 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 (the “Holdings”). In support of this Motion, the Plaintiffs respectfully state as follows:

<sup>1</sup> 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.



### **Jurisdiction**

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b) (2)(A), (B), and (O). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicate for the relief requested herein is Rule 9019 of the Bankruptcy Rules.

### **General Background**

3. On October 25, 2023, Debtors filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Alabama (Southern Division) (the “Bankruptcy Court”), which commenced chapter 11 bankruptcy cases for the Debtors pending as jointly-administered Case No. 23-02871-TOM11 in the Bankruptcy Court (collectively, the “Bankruptcy Cases”).

4. Pursuant to the *Motion of the Debtors and Debtors-in-Possession For Entry of an Order (I) Approving Bidding Procedures for the Sale of All or Substantially All the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (II) Approving Bid Protections for Stalking Horse Bidders; (III) Approving Procedures for Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Scheduling an Auction for, and Hearing to Approve, the Sale of All or Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (V) Approving the Form and Manner of Sale Notice; and (VI) Granting Related Relief* [Docket No. 42] (the “Bidding Procedures Motion”), Debtors sought Court authority to market and sell its assets.

5. Debtors filed that certain *Complaint for Declaratory Relief to Determine Debtors’ Rights to Property of Their Bankruptcy Estate* [A.P. Docket No. 1] (the “A.P. Complaint”) in the

Bankruptcy Court, thereby initiating that certain Adversary Proceeding No. 23-00047-TOM (the “Adversary Proceeding”) against Holdings.

6. In response to the Bidding Procedures Motion, Holdings filed their *Limited 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 the Motion of the Debtors and Debtors-in-Possession for Entry of an Order (I) Approving Asset Purchase Agreements and Authorizing the Sale of All or Substantially All of the Debtors’ Assets Under 11 U.S.C. §§ 363 (B) and 363(M); (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests Pursuant to 11 U.S.C. § 363(F); (III) Approving the Assumption and Assignment of Certain Executory Contracts and (IV) Granting Related Relief* [Docket No. 293] (as amended by Docket No. 337, the “Sale Objection”), whereby Holdings claimed ownership interest in certain of the assets subject to the Bidding Procedures Motion.

7. Some of the Holdings Lenders also objected to the Bidding Procedures Motion to the extent Debtors sought to sell certain assets in which Holdings asserted a property interest, which Holdings had pledged as collateral under certain loans made by the Holdings Lenders (as defined below).

8. Debtors, the Committee, and the Prepetition Agent disputed the assertions of Holdings and the Holdings Lenders and, as a result, there was a bona fide dispute over the property interests of certain assets, including whether certain assets were property of the Debtors’ bankruptcy estates, which assets are identified on *Exhibit “A”* to the Sale Objection (this dispute, the “Property Dispute”).

9. The Court entered an Order approving the Bidding Procedures Motion [Docket No. 232] (the “Bidding Procedures Order”).

10. The Parties continued to negotiate in good faith concerning the outcome of the Property Dispute, and as part of those negotiations, the Parties agreed to a Disputed Claims Reserve of \$650,000.

11. The Disputed Claims Reserve is enumerated in the *Order (I) Approving Asset Purchase Agreements and Authorizing the Sale of Substantially All of the Debtors’ Assets Under 11 U.S.C. § 363(b) and 363(m); (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests Pursuant to 11 U.S.C. § 363(f); (III) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Pursuant to 11 U.S.C. § 365; and (IV) Granting Related Relief* [Docket No. 355] (the “Sale Order”).

12. The Parties have reached a full and final settlement concerning the Property Dispute and the disposition of the funds contained in the Disputed Claims Reserve, the terms of which are set forth in the Stipulation attached hereto as **Exhibit “A”** (the “Stipulation”)

**Terms of the Proposed Settlement and Relevant Facts**

13. The Debtors have agreed, as set forth in the Stipulation, to pay to Holdings the sum of \$425,000 (the “Settlement Amount”) from the \$650,000 of the Disputed Claims Reserve, within five (5) business days of the entry of the Order approving this Stipulation, by wire transfer pursuant to instructions provided by Holdings. Holdings shall solely use the funds distributed on account of the Settlement Amount to pay (a) AuburnBank, (b) First Horizon Bank, (c) PeoplesSouth Bank, (d) Renasant Bank, (e) Merit Bank, (f) CB&S Bank, and (g) First Chatham Bank (AuburnBank, First Horizon Bank, PeoplesSouth Bank, Renasant Bank, Merit Bank, CB&S Bank, and First Chatham Bank, collectively, the “Holdings Lenders”) the amounts set forth in Paragraph 14 below.

14. From the Settlement Amount, Holdings shall distribute the funds to each of Holdings Lenders as set forth on *Exhibit "A"* to the Stipulation. For clarity, the payments set forth on *Exhibit "A"* to the Stipulation represent only the allocation of the Settlement Payment, and not the agreed upon amounts between Holdings and Holdings Lenders.

15. With respect to the funds in the Disputed Claims Reserve, the Debtors' interest in these funds is subject to the lien held by the Prepetition Agent. Based on the Debtors' agreement with the Prepetition Agent with respect to the Debtors' use of cash collateral and their anticipated agreement with respect to the Wind-Down Budget for the completion of the administration of the case, the Debtors have agreed, as part of the settlement of the Disputed Claims Reserve Account, to distribute \$225,000 to the Prepetition Agent, free and clear of all liens, claims, encumbrances, and interests, within 5 business days following entry of the Order approving the Stipulation.

16. The Debtors believe that the proposed settlement of the Disputed Claims Reserve as set forth in the Stipulation is fair and reasonable, and in the best interest of creditors and the estates, as it will eliminate the need for the Debtors to incur further legal fees that would be necessary if litigation of these matters were to proceed.

17. As part of the proposed settlement, upon Court approval of the Stipulation, the Adversary Proceeding will be dismissed with prejudice.

18. The receipt by Holdings of the Settlement Amount is in full and final satisfaction of all claims that Holdings may have against Plaintiffs, their respective bankruptcy estates, the Committee, the Prepetition Agent, and all of their respective agents, professionals, insiders, affiliates, successors and assigns solely on account of the Property Dispute. This settlement shall not apply to any other claims Holdings may have against Plaintiffs or other parties set forth herein. The Stipulation and the proposed settlement also shall be without prejudice to any and all claims,

rights, remedies and defenses the Plaintiffs and their estates may have against Holdings, all of which are expressly preserved.

19. Except as set forth herein, the terms and conditions of the Sale Order shall continue to govern.

20. The Parties request that the Court enter the Proposed Order attached hereto as **Exhibit “B”**.

### **Basis for Relief Requested**

21. By this Motion, the Plaintiffs seek entry of an Order approving the Settlement pursuant to Bankruptcy Rule 9019. Pursuant to Federal Rules of Bankruptcy Procedure 9019, bankruptcy courts are authorized to approve a compromise proposed by a debtor following the filing of a motion and a hearing with notice to the creditors. Fed. R. Bankr. P. 9019(a). In reviewing a proposed settlement, the Court must determine that (1) it is “fair and equitable,” Protective Comm. for Ind. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424, 88 S.Ct. 1157, 1163 (1968), and (2) in the best interests of the estate, In re Best Prods. Co., 168 B.R. 35, 50 (Bankr. S.D.N.Y. 1994). Rule 9019(a) commits the approval or rejection of a settlement to the sound discretion of the bankruptcy court. In re Michael, 183 B.R. 230, 232 (Bankr. D. Mont. 1995).

22. In determining whether the proposed settlement is fair and equitable, two principles should guide this Court. First, “[c]ompromises are favored in bankruptcy,” 10 Lawrence P. King, Collier on Bankruptcy, ¶ 9019.01, at 9019-2 (15th ed. rev. 1997) (citing In re Sassalos, 160 B.R. 646, 653 (D. Ore. 1993)), and are “a normal part of the reorganization process.” Anderson, 390 U.S. at 424, 88 S.Ct. at 1163 (quoting Case v. Los Angeles Lumber Prods. Co., 308 U.S. 106, 130, 60 S.Ct. 1, 14 (1939)); In re A & C Properties, 784 F.2d 1377, 1381 (9th Cir. 1986) (“The law favors compromise and not litigation for its own sake . . . .”); In re Michael, 183 B.R. at 232

(Bankr. D. Mont. 1995) (“[I]t is also well established that the law favors compromise.”); In re Best Products, 16 B.R. at 50; Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994) (court recognizes “the general rule that settlements are favored”).

23. Second, settlements should be approved if they fall above the lowest point on the continuum of reasonableness. “[The] responsibility of the bankruptcy judge . . . is not to decide the numerous questions of law and fact raised by the appellants but rather to canvass the issues and see whether the settlement fall[s] below the lowest point in the range of reasonableness.” In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983); In re Planned Protective Servs., Inc., 130 B.R. 94, 99 n.7 (Bankr. C.D. Cal. 1991). See generally In re Blair, 538 F.2d 849, 851 (9th Cir. 1976) (Court should not conduct a “mini-trial” on the merits of a proposed settlement). Thus, the question is not whether a better settlement might have been achieved or a better result reached if litigation pursued. Instead, the court should approve settlements that meet a minimal threshold of reasonableness. Nellis, 165 B.R. at 123; In re Tech. for Energy Corp., 56 B.R. 307, 311-312 (Bankr. E.D. Tenn. 1985); In re Mobile Air Drilling Co., Inc., 53 B.R. 605, 608 (Bankr. N.D. Ohio 1985); 10 Collier on Bankruptcy ¶ 9019.02, at 9019-4.

24. The decision whether to approve a settlement lies within the sound discretion of this Court. See Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994). When determining whether to approve a proposed settlement, a bankruptcy court should consider “(a) [t]he probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; [and] (d) the paramount interest of the creditors.” In re Justice Oaks II, Ltd., 898 F.2d 1544, 1549 (11th Cir.), cert. denied, 498 U.S. 959 (1990). Generally, however, approval of a

settlement is appropriate if it is in the best interest of the debtor's estate. See In re Ionosphere Clubs, Inc., 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff'd*, 17 F.3d 600 (2d Cir. 1994).

25. The Plaintiffs submit that the proposed Settlement should be approved because (i) it is reasonable and fair, (ii) the Prepetition Agent, through counsel, has advised the Debtors that they approve the settlement and terms of the Stipulation. and (iii) the factors considered by the 11<sup>th</sup> Circuit weigh in favor of approval, particularly to avoid having the Debtors and their estates incur additional litigation fees and costs.

### **Conclusion**

WHEREFORE, the Debtors respectfully request that the Court enter an Order consistent with the proposed order attached as **Exhibit "B"** (i) granting this Motion; (ii) approving the Settlement; and (iii) granting such other and further relief as the Court finds just and proper.



Dated: February 23, 2024.

/s/ Jesse S. Vogtle, Jr.  
Jesse S. Vogtle, Jr.  
Eric T. Ray  
HOLLAND & KNIGHT LLP  
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*-and-*

COLE SCHOTZ P.C.

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*Attorneys for the Debtors and Debtors-in-Possession*

*\*Admitted Pro Hac Vice*

**Exhibit “A”**

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

In re:

PREMIER KINGS, INC., *et al.*,<sup>1</sup>

Debtors.

(Chapter 11)

Case No. 23-02871 (TOM)

Jointly Administered

**STIPULATION AND PROPOSED ORDER SETTLING CLAIMS OF HOLDINGS AND  
HOLDINGS LENDERS AND RESOLVING DISTRIBUTION OF FUNDS HELD IN  
DISPUTED CLAIMS RESERVE PURSUANT TO SALE ORDER [DE 355]**

This stipulation is made by and between (i) the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), (ii) the Unsecured Creditors’ Committee appointed in the above-captioned chapter 11 cases (the “Committee”), (iii) Wells Fargo Bank, National Association, in its capacity as prepetition secured agent (the “Prepetition Agent”), and (iv) 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”), by and through their respective attorneys of record. Debtors, the Committee, the Prepetition Agent, and Holdings are referred to herein collectively as the “Parties.”

**RECITALS**

WHEREAS, on October 25, 2023, Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Alabama (Southern Division) (the “Bankruptcy Court”), which commenced chapter 11 bankruptcy cases for the Debtors pending as jointly-administered Case No. 23-02871-TOM11 in the Bankruptcy Court (collectively, the “Bankruptcy Cases”);

WHEREAS, pursuant to the *Motion of the Debtors and Debtors-in-Possession For Entry of an Order (I) Approving Bidding Procedures for the Sale of All or Substantially All the Debtors’*

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<sup>1</sup> 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.

*Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (II) Approving Bid Protections for Stalking Horse Bidders; (III) Approving Procedures for Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Scheduling an Auction for, and Hearing to Approve, the Sale of All or Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (V) Approving the Form and Manner of Sale Notice; and (VI) Granting Related Relief* [D.E. 42] (the “Bidding Procedures Motion”), Debtors sought Court authority to market and sell its assets;

WHEREAS, Debtors filed that certain *Complaint for Declaratory Relief to Determine Debtors' Rights to Property of Their Bankruptcy Estate* [A.P. D.E. 1] (the “A.P. Complaint”) in the Bankruptcy Court, thereby initiating that certain Adversary Proceeding No. 23-00047-TOM (the “Adversary Proceeding”) against Holdings;

WHEREAS, in response to the Bidding Procedures Motion, Holdings filed their *Limited 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 the Motion of the Debtors and Debtors-in-Possession for Entry of an Order (I) Approving Asset Purchase Agreements and Authorizing the Sale of All or Substantially All of the Debtors' Assets Under 11 U.S.C. §§ 363 (B) and 363(M); (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests Pursuant to 11 U.S.C. § 363(F); (III) Approving the Assumption and Assignment of Certain Executory Contracts and (IV) Granting Related Relief* [D.E. 293] (as amended by D.E. 337, the “Sale Objection”), whereby Holdings claimed ownership interest in certain of the assets subject to the Bidding Procedures Motion;

WHEREAS, some of the Holdings Lenders also objected to the Bidding Procedures Motion to the extent Debtors sought to sell certain assets in which Holdings asserted a property interest, which Holdings had pledged as collateral under certain loans made by the Holdings Lenders (as defined below);

WHEREAS, Debtors, the Committee, and the Prepetition Agent disputed the assertions of Holdings and the Holdings Lenders and, as a result, there was a bona fide dispute over the property

interests of certain assets, including whether certain assets were property of the Debtors' bankruptcy estates, which assets are identified on Exhibit A to the Sale Objection (this dispute, the "Property Dispute");

WHEREAS, the Court entered an Order approving the Bidding Procedures Motion [D.E. 232] (the "Bidding Procedures Order");

WHEREAS, the Parties continued to negotiate in good faith concerning the outcome of the Property Dispute, and as part of those negotiations, the Parties agreed to a Disputed Claims Reserve of \$650,000;

WHEREAS, the Disputed Claims Reserve is enumerated in the *Order (I) Approving Asset Purchase Agreements and Authorizing the Sale of Substantially All of the Debtors' Assets Under 11 U.S.C. § 363(b) and 363(m); (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests Pursuant to 11 U.S.C. § 363(f); (III) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Pursuant to 11 U.S.C. § 365; and (IV) Granting Related Relief* [D.E. 355] (the "Sale Order"); and

WHEREAS, the Parties have reached a full and final settlement concerning the Property Dispute and the disposition of the funds contained in the Disputed Claims Reserve, the terms of which are set forth in this Stipulation.

### **STIPULATION**

Based upon the facts recited above, the Parties stipulate as follows:

1. Pursuant to the Sale Order, the Parties stipulate to the release of \$425,000 (the "Settlement Amount") from the \$650,000 of the Disputed Claims Reserve set aside for the benefit of Holdings, which Settlement Amount shall be paid to Holdings within five (5) business days of the entry of the Order approving this Stipulation, and which funds shall be paid via to Holdings via wire transfer pursuant to instructions provided by Holdings to the Prepetition Agent. Holdings shall solely use the funds distributed on account of the Settlement Amount to pay (a) AuburnBank, (b) First Horizon Bank, (c) PeoplesSouth Bank, (d) Renasant Bank, (e) Merit Bank, (f) CB&S Bank, and (g) First Chatham Bank (AuburnBank, First Horizon Bank, PeoplesSouth Bank,

Renasant Bank, Merit Bank, CB&S Bank, and First Chatham Bank, collectively, the “Holdings Lenders”) amounts which have been agreed upon between Holdings and Holdings Lenders for a release of specific assets as set forth in the Sale Order and which were transferred pursuant to the Sale Order.

2. From the Settlement Amount, Holdings shall distribute the funds to each of Holdings Lenders as set forth on Exhibit A hereto. For clarity, the payments set forth on Exhibit A represent only the allocation of the Settlement Payment, and not the agreed upon amounts between Holdings and Holdings Lenders.

3. Pursuant to Section 2 of the Sale Order, the Parties stipulate that the amount remaining in the Disputed Claims Reserve net of the Settlement Amount shall be paid to the Prepetition Agent for the benefit of the Prepetition Lenders free and clear of all liens, claims, encumbrances, and interests within five (5) business days of the entry of this Order.

4. The Adversary Proceeding shall be dismissed, with prejudice.

5. The receipt by Holdings of the Settlement Amount is in full and final satisfaction of all claims that Holdings may have against Debtors, their respective bankruptcy estates, the Committee, the Prepetition Agent, and all of their respective agents, professionals, insiders, affiliates, successors and assigns solely on account of the Property Dispute. This paragraph 5 is not intended to apply and shall not apply to any other claims Holdings may have against Debtors or other parties set forth herein. This Stipulation and Order also shall be without prejudice to any and all claims, rights, remedies and defenses the Debtors and their estates may have against Holdings, all of which are expressly preserved.

6. Except as set forth herein, the terms and conditions of the Sale Order shall continue to govern.

7. The Parties request that the Court enter the Proposed Order attached hereto as Exhibit B.

Dated: February [●], 2024

COLE SCHOTZ P.C.

By: \_\_\_\_\_  
GARY H. LEIBOWITZ  
Attorney for the Debtors

Dated: January [●], 2024

CHRISTIAN & SMALL LLP

By: \_\_\_\_\_  
BILL D. BENSINGER  
Attorney for the Committee

Dated: January [●], 2024

KING & SPALDING LLP

By: \_\_\_\_\_  
JEFFREY R. DUTSON  
Attorney for Wells Fargo Bank, N.A., in its  
capacity as Prepetition Agent

Dated: January [●], 2024

KUMAR, PRABHU, PATEL, & BANERJEE

By: \_\_\_\_\_  
MAX A. MOSELEY  
Attorney for Premier Holdings, LLC; Premier  
Holdings of Georgia, LLC; Premier Kings  
Holdings, LLC; Premier Kings Holdings of  
Alabama, LLC; Premier Kings Holdings of  
Georgia, LLC; and BQK 5015 LLC

**Exhibit A**

**Holdings' Distributions of Settlement Proceeds to Holdings Lenders**



	AuburnBank				
	26579	\$25,000.00			
			\$25,000.00		
	CB&S Bank				
	26748	<u>\$25,000.00</u>			
			\$25,000.00		
	First Chatham Bank				
	25937	\$25,000.00			
	26749	<u>\$25,000.00</u>			
			\$50,000.00		
	First Horizon				
	21654	\$25,000.00			
	26868	\$25,000.00			
	27281	\$25,000.00			
	27690	<u>\$25,000.00</u>			
			\$100,000.00		
	Merit Bank				
	28954	\$25,000.00			
	29043	\$25,000.00			
	29513	<u>\$25,000.00</u>			
			\$75,000.00		
	PeopleSouth Bank				
	25426	<u>\$25,000.00</u>			
			\$25,000.00		
	Renasant Bank				
	25565	\$25,000.00			
	25607	\$25,000.00			
	25743	\$25,000.00			
	25882	\$25,000.00			
	26113	<u>\$25,000.00</u>			
			\$125,000.00		
			<u>\$425,000.00</u>		

**Exhibit B**

**Proposed Order**

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

In re:

PREMIER KINGS, INC., *et al.*,<sup>1</sup>

Debtors.

(Chapter 11)

Case No. 23-02871 (TOM)

Jointly Administered

**ORDER SETTLING CLAIMS OF HOLDINGS AND HOLDINGS  
LENDERS AND RESOLVING DISTRIBUTION OF FUNDS HELD  
IN DISPUTED CLAIMS RESERVE PURSUANT TO SALE ORDER [DE 355]**

The Stipulation of the parties filed at Docket No. \_\_\_\_ (the “Stipulation”) is approved and accepted.<sup>2</sup> It is hereby ordered as follows:

1. Pursuant to the Sale Order, the Parties stipulate to the release of \$425,000 (the “Settlement Amount”) from the \$650,000 of the Disputed Claims Reserve set aside for the benefit of Holdings, which Settlement Amount shall be paid to Holdings within five (5) business days after entry of the Order approving this Stipulation, and which funds shall be paid via to Holdings via wire transfer pursuant to instructions provided by Holdings to the Prepetition Agent. Holdings shall solely use the funds distributed on account of the Settlement Amount to pay Holdings Lenders amounts which have been agreed upon between Holdings and Holdings Lenders for a release of specific assets as set forth in the Sale Objection and which were transferred pursuant to the Sale Order.

2. From the Settlement Amount, Holdings shall distribute the funds to each of Holdings Lenders as set forth on Exhibit A to the Stipulation.

3. Pursuant to Section 2 of the Sale Order, the Parties stipulate that the amount remaining in the Disputed Claims Reserve net of the Settlement Amount shall be paid to the

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<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Stipulation.

Prepetition Agent for the benefit of the Prepetition Lenders free and clear of all liens, claims, encumbrances, and interests, within five (5) business days after the entry of the Order approving this Stipulation.

4. The Adversary Proceeding is hereby dismissed, with prejudice.

5. The receipt by Holdings of the Settlement Amount is in full and final satisfaction of all claims that Holdings may have against Debtors, their respective bankruptcy estates, the Committee, the Prepetition Agent, and all of their respective agents, professionals, insiders, affiliates, successors and assigns solely on account of the Property Dispute, and not as to any other claims whatsoever. This Stipulation and Order also shall be without prejudice to any and all claims, rights, remedies and defenses the Debtors and their estates may have against Holdings, all of which are expressly preserved.

6. Except as set forth herein, the terms and conditions of the Sale Order shall continue to govern.

DATED: \_\_\_\_\_, 2024  
Birmingham, Alabama

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit “B”**

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

In re:

PREMIER KINGS, INC., *et al.*,<sup>1</sup>  
  
Debtors.

(Chapter 11)

Case No. 23-02871-TOM

Jointly Administered

PREMIER KINGS, INC., *et al.*,  
  
Plaintiffs

v.

PREMIER HOLDINGS, LLC, *et al.*,  
  
Defendants.

AP No. 23-00047-TOM

**ORDER APPROVING DEBTORS' MOTION PURSUANT TO  
BANKRUPTCY RULE 9019 FOR APPROVAL OF SETTLEMENT**

The Motion of the parties filed at Docket No. \_\_\_\_ is hereby granted and it is hereby ordered as follows:

1. Pursuant to the Sale Order, the Parties stipulate to the release of \$425,000 (the "Settlement Amount") from the \$650,000 of the Disputed Claims Reserve set aside for the benefit of Holdings, which Settlement Amount shall be paid to Holdings within five (5) business days after entry of the Order approving this Stipulation, and which funds shall be paid via to Holdings via wire transfer pursuant to instructions provided by Holdings to the Prepetition Agent. Holdings shall solely use the funds distributed on account of the Settlement Amount to pay Holdings Lenders amounts which have been agreed upon between Holdings and Holdings Lenders for a release of

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<sup>1</sup> 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.

specific assets as set forth in the Sale Order and which were transferred pursuant to the Sale Order.

2. From the Settlement Amount, Holdings shall distribute the funds to each of Holdings Lenders as set forth on Exhibit A to the Stipulation.

3. Pursuant to Section 2 of the Sale Order, the Parties stipulate that the amount remaining in the Disputed Claims Reserve net of the Settlement Amount shall be paid to the Prepetition Agent for the benefit of the Prepetition Lenders free and clear of all liens, claims, encumbrances, and interests, within five (5) business days after the entry of the Order approving this Stipulation.

4. The Adversary Proceeding is hereby dismissed, with prejudice.

5. The receipt by Holdings of the Settlement Amount is in full and final satisfaction of all claims that Holdings may have against Debtors, their respective bankruptcy estates, the Committee, the Prepetition Agent, and all of their respective agents, professionals, insiders, affiliates, successors and assigns solely on account of the Property Dispute, and not as to any other claims whatsoever. This Stipulation and Order also shall be without prejudice to any and all claims, rights, remedies and defenses the Debtors and their estates may have against Holdings, all of which are expressly preserved.

6. Except as set forth herein, the terms and conditions of the Sale Order shall continue to govern.

DATED: \_\_\_\_\_, 2024  
Birmingham, Alabama

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TAMARA O. MITCHELL  
UNITED STATES BANKRUPTCY JUDGE