

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:)	Chapter 11
)	
THE KRYSTAL COMPANY, <i>et al.</i> , ¹)	Case No. 20-61065 (PWB)
)	
Debtors.)	(Jointly Administered)
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**NOTICE OF DEADLINES FOR THE FILING OF
(I) PROOFS OF CLAIM, AND (II) REJECTION DAMAGES CLAIMS**

**TO ALL PERSONS AND ENTITIES WHO MAY HAVE CLAIMS AGAINST ANY OF
THE FOLLOWING DEBTOR ENTITIES:**

Debtor Name	Case Number	Federal Tax Identification Number
The Krystal Company	Case No. 20-61065 (PWB)	62-0264140
Krystal Holdings, Inc.	Case No. 20-61067 (PWB)	58-2325381
K-Square Acquisition Co., LLC	Case No. 20-61068 (PWB)	45-4698916

PLEASE TAKE NOTICE THAT:

On January 19, 2020 (the “Petition Date”), The Krystal Company and certain of its affiliates and subsidiaries (collectively, the “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 Georgia (the “Court”).

On March 17, 2020, the Court entered an order [Docket. No. 283] the (“Bar Date Order”)² establishing certain dates by which parties holding prepetition claims against the Debtors must file proofs of claim (“Proofs of Claim”), and claims for damages stemming from rejection of executory contracts or unexpired leases. For your convenience, enclosed with this notice (this “Notice”) is a Proof of Claim form.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: The Krystal Company (4140); Krystal Holdings, Inc. (5381); and K-Square Acquisition Co., LLC (8916). The location of the Debtors’ corporate headquarters and service address is: 1455 Lincoln Parkway, Suite 600, Dunwoody, Georgia 30346.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bar Date Order.

As used in this Notice, the term “entity” has the meaning given to it in section 101(15) of the Bankruptcy Code, and includes all persons, estates, trusts, and governmental units. The terms “persons” and “governmental units” are defined in sections 101(41) and 101(27) of the Bankruptcy Code, respectively.

As used in this Notice, the term “claim” means, as to or against the Debtors and in accordance with section 101(5) of the Bankruptcy Code: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

I. The Bar Dates

The Bar Date Order establishes the following bar dates for filing Proofs of Claim in these chapter 11 cases (the “Bar Dates”).

- (a) The Claims Bar Date. Pursuant to the Bar Date Order, except as described below, all entities holding claims against any Debtor that arose or are deemed to have arisen prior to the commencement of these cases on the Petition Date, **are required to file Proofs of Claim so that such Proofs of Claim are received by the Claims and Noticing Agent by the Claims Bar Date (i.e., on or before May 19, 2020 at 5:00 p.m., prevailing Eastern Time).** The Claims Bar Date applies to all types of claims against any Debtor that arose prior to the Petition Date, including, without limitation, secured claims, unsecured priority claims, and unsecured non-priority claims, except for claims arising under section 503(b)(9) of the Bankruptcy Code for goods received by the Debtors within the 20 day period prior to the Petition Date.
- (b) The Governmental Bar Date. All governmental units holding claims against the Debtors that arose or are deemed to have arisen prior to the commencement of these cases on the Petition Date **are required to file proofs of claim so that such Proofs of Claim are received by the Claims and Noticing Agent by July 20, 2020 at 5:00 p.m., prevailing Eastern Time** (the “Governmental Bar Date”). The Governmental Bar Date applies to all governmental units holding claims against the Debtors (whether secured, unsecured priority, or unsecured non-priority) that arose prior to the Petition Date, including, without limitation, governmental units with claims against the Debtors for unpaid taxes, whether such claims arise from prepetition tax years or periods or prepetition transactions to which the Debtors were a party.
- (c) The Amended Schedules Bar Date. Pursuant to the Bar Date Order, all parties asserting claims against the Debtors’ estates that are affected by a previously unfiled Schedule or amendment or supplement to the Schedules **are required to**

file Proofs of Claim so that such Proofs of Claim are received by the Claims and Noticing Agent by the Amended Schedules Bar Date (i.e., by the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable depending on the claimant, or (b) 5:00 p.m., prevailing Eastern Time, on the date that is 30 days from the date on which the Debtors provide notice of such filing, amendment or supplement).

- (d) *The Rejection Damages Bar Date.* Pursuant to the Bar Date Order, all parties asserting claims against the Debtors' estates arising from the Debtors' rejection of an executory contract or unexpired lease *are required to file Proofs of Claim with respect to such rejection so that such Proofs of Claim are received by the Claims and Noticing Agent by the Rejection Damages Bar Date (i.e., by the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable, or (b) 5:00 p.m., prevailing Eastern Time, on the date that is 30 days following entry of an order approving such rejection).*

II. Who Must File a Proof of Claim

Except as otherwise set forth herein, the following entities holding claims against the Debtors that arose (or that are deemed to have arisen) prior to the Petition Date *must* file Proofs of Claim on or before the applicable Bar Date:

- (a) any entity whose claim against a Debtor is not listed in the applicable Debtor's Schedules or is listed as "contingent," "unliquidated," or "disputed" and if such entity desires to share in any distribution in any of these chapter 11 cases;
- (b) any entity that believes that its claim is improperly classified in the Schedules or is listed in an incorrect amount and who desires to have its claim allowed in a different classification or amount other than that identified in the Schedules; and
- (c) any entity that believes that any claim listed in the Schedules is not an obligation of the specific Debtor against which the claim is listed and that desires to have its claim allowed against a different Debtor.

III. Parties Who Do Not Need to File Proofs of Claim

Certain parties are not required to file Proofs of Claim. The Court may, however, enter one or more separate orders at a later time requiring creditors to file Proofs of Claim for some kinds of the following claims and setting related deadlines. If the Court does enter such an order, you will receive notice of it. The following entities holding claims that would otherwise be subject to the Bar Dates need *not* file Proofs of Claims:

- (a) any entity that already has filed a signed Proof of Claim against the respective Debtor(s) with the Clerk of the Court or with the Claims and Noticing Agent in a form substantially similar to Official Form 410;
- (b) any entity whose claim is listed on the Schedules if: (i) the claim is *not* scheduled as “disputed,” “contingent,” or “unliquidated;” (ii) such entity agrees with the amount, nature, and priority of the claim as set forth in the Schedules; and (iii) such entity does not dispute that its claim is an obligation only of the specific Debtor against which the claim is listed in the Schedules;
- (c) any entity whose claim previously has been allowed by order of the Court;
- (d) any entity whose claim has been paid in full by the Debtors in accordance with an order of the Court;
- (e) any Debtor or non-Debtor subsidiary having a claim against another Debtor;
- (f) any entity whose claim is solely against any of the Debtors’ non-Debtor affiliates;
- (g) any holder of an equity interest in a Debtor need not file a proof of interest with respect to the ownership of such equity interest at this time; *provided, however*, that any holder of an equity interest who wishes to assert a claim against a Debtor, including a claim relating to such equity interest or the purchase or sale of such interest, must file a proof of claim asserting such claim on or prior to the Claims Bar Date pursuant to procedures set forth herein;
- (h) an employee of any Debtor holding a claim for wages, commissions, or benefits if an order of this Court authorized the Debtors to honor such claim in the ordinary course of business; *provided, however*, that a current or former employee must submit a Proof of Claim by the Claims Bar Date for all other claims arising before the Petition Date, including claims for wrongful termination, discrimination, harassment, hostile work environment, and/or retaliation, as applicable;
- (i) any entity holding a claim for which a separate deadline is fixed by the Court;
- (j) any entity that is exempt from filing a Proof of Claim by order of the Court;
- (k) administrative expense claims for post-petition fees and expenses incurred by any professional allowable under sections 330, 331, and 503(b) of the Bankruptcy Code; and
- (l) claims asserting administrative priority and arising in the ordinary course of business (but not, for the avoidance of doubt, claims asserting priority pursuant to section 503(b)(9) of the Bankruptcy Code for goods received by the Debtors within the 20 day period prior to the Petition Date).

IV. Instructions for Filing Proof of Claim

The following requirements shall apply with respect to filing and preparing each Proof of Claim against the first-listed Debtor.

- (a) Contents. Each Proof of Claim must: (i) be legible and written in English; (ii) include a claim amount denominated in United States dollars (using the Petition Date rate of conversion, if applicable); (iii) conform substantially with the Proof of Claim Form or Official Form 410; and (iv) be signed by the claimant or by an authorized agent or legal representative of the claimant.
- (b) Original Signatures Required. Each Proof of Claim other than an electronically submitted Proof of Claim must contain an original signature of the claimant or the claimant's authorized agent or legal representative. Copies of Proofs of Claim or Proofs of Claim sent by facsimile or electronic mail will not be accepted.
- (c) Identification of the Debtor Entity. Each Proof of Claim must clearly identify the Debtor against which the claim is being asserted, including such Debtor's individual case number. A Proof of Claim filed under the joint administration case number (No. 20-61065) or otherwise without identifying a specific Debtor, will be deemed filed only against Debtor The Krystal Company.
- (d) Claim Against Multiple Debtors. Each Proof of Claim must state a claim against *only one* Debtor. If a creditor has a claim against multiple Debtors, it must file a separate Proof of Claim against each such Debtor. If more than one Debtor is listed on a single Proof of Claim, the asserted claim will be deemed filed only against the first-listed Debtor. If the claimant asserts a claim against more than one Debtor or has claims against different Debtors, a separate Proof of Claim must be filed with respect to each Debtor.
- (e) Supporting Documentation. Each Proof of Claim must include supporting documentation in accordance with Bankruptcy Rules 3001(c) and 3001(d).
- (f) Timely Filing. Each Proof of Claim (including supporting documentation) must be filed so as to be *received*, on or before the applicable Bar Date by (i) electronically using the interface available on the Notice and Claims Agent's website at <https://epoc.kccllc.net/Krystal>; or (ii) first-class U.S. Mail, overnight mail, or other hand-delivery system, which Proof of Claim must include an *original* signature, at the following address:

The Krystal Company Claims Processing Center
c/o KCC
222 N. Pacific Coast Hwy, Suite 300
El Segundo, CA 90245
T: (888) 249-2792

Proofs of claim submitted by facsimile or electronic mail will *not* be accepted and will *not* be deemed timely **FILED**.

- (g) Receipt of Service. Claimants wishing to receive acknowledgment that their Proofs of Claim were timely received by the Claims and Noticing Agent must submit (i) a copy of the Proof of Claim (in addition to the original Proof of Claim) and (ii) a self-addressed, stamped envelope.

V. Consequences of Failing to Timely File Your Proof of Claim

Pursuant to the Bar Date Order and in accordance with Bankruptcy Rule 3003(c)(2), if you are required, but fail, to file a Proof of Claim in accordance with the Bar Date Order on or before the applicable Bar Date, please be advised that:

- (a) YOU WILL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH CLAIM AGAINST ANY OF THE DEBTORS (OR FILING A PROOF OF CLAIM WITH RESPECT THERETO IN THESE CHAPTER 11 CASES);
- (b) THE DEBTORS AND THEIR PROPERTY SHALL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO OR ARISING FROM SUCH CLAIM;
- (c) YOU WILL NOT RECEIVE ANY DISTRIBUTION IN THESE CHAPTER 11 CASES ON ACCOUNT OF THAT CLAIM; AND
- (d) YOU WILL NOT BE PERMITTED TO VOTE ON ANY CHAPTER 11 PLAN FOR THE DEBTORS ON ACCOUNT OF THAT CLAIM OR RECEIVE FURTHER NOTICES REGARDING SUCH CLAIM.

VI. Amendment to the Debtors' Schedules

If, subsequent to the date of this Notice, the Debtors file a previously unfiled Schedule or amend or supplement their Schedules to reduce the amount of your claim previously listed in the Schedules as undisputed, noncontingent, and liquidated, or to change the nature or classification of your claim reflected in the Schedules, you are required to file a Proof of Claim or amend any previously filed Proof of Claim in respect of the additional or amended scheduled claim on or before the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable to such claim, or (b) 5:00 p.m. prevailing Eastern Time on the date that is 30 days after the date that on which the Debtors provide notice of the filing, amendment, or supplement to the Schedules (or another time period as may be fixed by the Court) (the "Amended Schedules Bar Date").

VII. The Rejection Damages Bar Date

If you have a claim arising from the rejection of an executory contract or unexpired lease, you must submit your Proof of Claim based on such rejection on or before the later of (a) the Claims Bar Date or the Governmental Bar Date, as applicable, or (b) 5:00 p.m., prevailing Eastern Time, on the date that is 30 days following entry of an order approving such rejection (the “Rejection Damages Bar Date”). The Debtors will provide notice of the Rejection Damages Bar Date to the contract or lease counterparty whose contract or lease is being rejected at the time the Debtors reject such executory contract or unexpired lease.

VIII. The Debtors’ Schedules and Access Thereto

You may be listed as the holder of a claim against one or more of the Debtors on the Debtors’ Schedules. It is your responsibility to determine that your claim is accurately listed in the Schedules.

If you agree with the nature, amount, and status of your claim as listed in the Debtors’ Schedules, and if you do not dispute that your claim is only against the Debtor specified by the Debtors, and if your claim is not described as “disputed,” “contingent,” or “unliquidated,” you need *not* file a Proof of Claim. Otherwise, or if you decide to file a Proof of Claim, you must do so before the applicable Bar Date in accordance with the procedures set forth in this Notice.

IX. Additional Information

Copies of the Debtors’ Schedules, the Bar Date Order, and other information regarding these chapter 11 cases are available for inspection free of charge on the Claims and Noticing Agent’s website at <https://www.kccllc.net/krystal>. The Schedules and other filings in these chapter 11 cases also are available for a fee at the Court’s website at <https://ecf.ganb.uscourts.gov/>. A login identification and password to the Court’s Public Access to Court Electronic Records (“*PACER*”) are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>.

If you require additional information regarding the filing of a proof of claim, you may contact the Claims and Noticing Agent directly by writing to: The Krystal Company Claims Processing Center, c/o KCC, 222 N. Pacific Coast Hwy, Suite 300, El Segundo, CA 90245. *Please note* that the Claims and Noticing Agent *cannot* offer legal advice or advise whether you should file a proof of claim.

THIS NOTICE IS BEING SENT TO MANY PERSONS AND ENTITIES THAT HAVE HAD SOME RELATIONSHIP WITH OR HAVE DONE BUSINESS WITH THE DEBTORS BUT MAY NOT HAVE AN UNPAID CLAIM AGAINST THE DEBTORS. THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THIS COURT BELIEVE THAT YOU HAVE ANY CLAIM. A HOLDER OF A POSSIBLE CLAIM AGAINST THE DEBTORS SHOULD CONSULT AN ATTORNEY REGARDING ANY MATTERS NOT

COVERED BY THIS NOTICE, SUCH AS WHETHER THE HOLDER SHOULD FILE A PROOF OF CLAIM.

Reservation of Rights

Nothing contained in this Bar Date Notice is intended, or should be construed, as a waiver of the rights of the Debtors or any party in interest to: (a) dispute, or assert offsets or defenses against, any claim asserted by a Proof of Claim or listed on the Schedules, (b) subsequently designate any scheduled claim as disputed, contingent, or unliquidated; and otherwise amend or supplement the Schedules.

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Date: March 17, 2020
Atlanta, GA

Respectfully submitted,

KING & SPALDING LLP

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