

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	)	CHAPTER 11
	)	
KG WINDDOWN, LLC, <i>et al.</i> , <sup>1</sup>	)	
	)	CASE NO. 20-11723 (MG)
Debtors.	)	
	)	(Jointly Administered)

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**SUPPLEMENTAL DECLARATION OF CRAIG M. BOUCHER IN SUPPORT OF DEBTORS' REPLY TO THE UNITED STATES TRUSTEE'S OBJECTION TO THE DEBTORS' MOTION FOR ENTRY OF ORDERS (I) AUTHORIZING THE DEBTORS TO MAKE DISTRIBUTIONS TO ALLOWED ADMINISTRATIVE EXPENSE CLAIMS; (II) DISMISSING THE DEBTORS' CHAPTER 11 CASES; (III) ESTABLISHING PROCEDURES WITH RESPECT TO FINAL FEE APPLICATIONS; (IV) AUTHORIZING THE DEBTOR ENTITIES TO BE DISSOLVED IN ACCORDANCE WITH APPLICABLE STATE LAW; AND (V) GRANTING RELATED RELIEF**

Craig M. Boucher, under penalty of perjury, hereby declare and states as follows:

1. I, Craig M. Boucher, of Mackinac Partners, LLC, as the Chief Restructuring Officer of each of the above captioned debtors (the "**Debtors**" or the "**Company**") submit this declaration (the "**Supplemental Declaration**") in further support of (i) the Debtors' *Motion for Entry of Orders (I) Authorizing the Debtors to Make Distributions to Allowed Administrative Expense Claims; (II) Dismissing the Debtors' Chapter 11 Cases; (III) Establishing Procedures with Respect to Final Fee Applications; (IV) Authorizing the Debtors Entities to be Disallowed in Accordance with Applicable State Law; and (V) Granting Related Relief* (the "**Dismissal Motion**," Dkt. 480) and (ii) the *Debtors' Reply to the United State Trustee's Objection to the Motion for*

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<sup>1</sup> The Debtors in these Chapter 11 Cases (defined below), along with the last four digits of each Debtor's federal tax identification number (if any), include: KG Winddown, LLC (8556); KG USA Winddown, LLC (1682); KG III Winddown, LLC (2613); KG LV Winddown, LLC (9805); KG Florida Winddown, LLC (9385); KG Puerto Rico Winddown, LLC (0901); KG AC Winddown, LLC (5082); KG Products Winddown, LLC (0303); KG LI Restaurant Group Winddown, LLC (1623); KG LI Winddown, LLC (1488); KG Franchise Winddown, LLC (0565); KG 60<sup>th</sup> St Holdings Winddown, LLC (9997); KG Broadway Winddown, LLC (4335); KG Hamptons Winddown, LLC (0423) and KG Payroll Winddown, LLC (0807). For the purpose of these Chapter 11 Cases, the service address for the Debtors is: 12 Penns Trail, Suite 125, Newton, PA 18940.

*Entry of Orders (I) Authorizing the Debtors to Make Distributions to Allowed Administrative Expense Claims; (II) Dismissing the Debtors' Chapter 11 Cases; (III) Establishing Procedures with Respect to Final Fee Applications; (IV) Authorizing the Debtors Entities to be Disallowed in Accordance with Applicable State Law; and (V) Granting Related Relief (the "Reply").*

2. I am a Senior Managing Director Mackinac Partners, LLC ("**Mackinac**"), which has offices located at 74 W Long Lake Road, Suite 205, Bloomfield Hills, MI 48304.

3. On May 14, 2021, the Dismissal Motion along with the *Declaration of Craig M. Boucher in Support of Debtors' Motion for Entry of Orders (I) Authorizing the Debtors to Make Distributions to Allowed Administrative Expense Claims; (II) Dismissing the Debtors' Chapter 11 Cases; (III) Establishing Procedures with Respect to Final Fee Applications; (IV) Authorizing the Debtors Entities to be Disallowed in Accordance with Applicable State Law; and (V) Granting Related Relief (the "Original Declaration")*.

4. The Original Declaration included a **Waterfall** attached thereto as Exhibit A. The Waterfall reflected the Debtors' Cash Balance and a claims distribution analysis as of the filing of the Original Declaration.

5. Attached hereto as **Exhibit A** is the "**Revised Waterfall**," which reflects an updated Cash Balance as of May 28, 2021 and updated claims distribution analysis.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Date: June 4, 2021

/s/ Craig M. Boucher  
Name: Craig M. Boucher  
Title: Chief Restructuring Officer

**Exhibit A**

**IM Debtor Entity**  
**Debtor Liquidation Waterfall**

	Waterfall (v5.28)
<i>Available Cash</i>	
Beginning Cash as of 5/28/21 <sup>(1)</sup>	\$ 1,256,188
Transfer to NewCo as of 5/28/21 <sup>(2)</sup>	(115,915)
Refund of GUC sale proceeds	(100,000)
DIP Payment	(100,000)
<b>Debtor Consolidated Cash Balance</b>	<b>\$ 940,273</b>
<b>Unpaid Pre-petition Wages</b>	<b>\$ -</b>
<i>Remaining Administrative Expenses</i>	
CRO - Mackinac <sup>1</sup>	\$ -
Debtor Counsel - Alston <sup>1</sup>	352,701
Claims Agent	139,060
Investment Banker	-
Goodwin - DIP Fees	-
Keen Summit	-
US Trustee	9,925
Unpaid Tax Claims under Tax Motion	103,555
Unpaid Employee Claims under Wages Motion	50,000
Accrued and Unpaid Admin Expenses	250,033
Restructuring Wind Down Costs	35,000
<b>Total Administrative Claims</b>	<b>\$ 940,273</b>
<b>Proceeds Remaining For Priority Unsecured Claims</b>	<b>\$ -</b>
<i>Pre Petition Claims <sup>(4)</sup></i>	
<i>Priority Tax</i>	
Puerto Rico Sales Tax	\$ 65,369
Other Tax Claims	44,445
<b>Total Priority Tax</b>	<b>\$ 109,815</b>
<b>Proceeds Remaining For Pre-Petition Priority Claims</b>	<b>\$ (109,815)</b>
<i>Other Pre-Petition Priority Claims</i>	
Critical Vendors	\$ -
PACA / PASA	-
<b>Total Other Pre-Petition Priority Claims</b>	<b>\$ -</b>
<b>Proceeds Remaining For Unsecured Claims</b>	<b>\$ (109,815)</b>

(1) The Beginning Cash Balance is at a point in time and subject to daily change based on the transactions running through the debtors operating under the TSA. The beginning cash balance also includes the GUC fund sale proceeds and amounts due to Newco based on a the most recent weekly reconciliation.

(2) Transfer to Newco is the net amount due to Newco based on the weekly reconciliation of cash transactions running through the Debtor entities operating under the TSA.

(3) To the extent that any Administrative Claim(s) (other than Professional Fees) is reduced to an amount lower than listed in the Waterfall, the difference between the listed amount and the reduced amount shall be applied as follows: first, to any Administrative Claim(s) this is allowed in an amount higher than that listed in the Waterfall (other than Professional Fees) so that all such Administrative Claims are paid in full; and the balance, if any, to be paid fifty percent (50%) to the DIP Lenders and fifty percent (50%) to any Professional Fees of Alston & Bird and Mackinac as authorized and approved by order of the Court.

(4) Assumes Debtors' First Omnibus Objection (Dkt. No. 469) is granted in full.