

Hearing Date: TBD
Response Deadline: June 4, 2021 at 4:00 pm

ALSTON & BIRD LLP

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

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

NOTICE OF SATISFACTION OF CLAIMS

KG Winddown, LLC and its affiliated debtors and debtors in possession (each a “Debtor” and collectively, the “Debtors”) hereby file this notice (the “Notice”) identifying proofs of claim and scheduled claims that have been satisfied in full subsequent to the Petition Date (as defined below) by the Debtors. In further support of this Notice, the Debtors respectfully represents as follows:

¹ The Debtors in these chapter 11 cases, 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 60th 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.

BACKGROUND

1. On July 28, 2020 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. An additional Debtor, IM Payroll, LLC filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on July 31, 2020. The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or official committee of unsecured creditors has been appointed in these chapter 11 cases.

2. On August 14, 2020, the Bankruptcy Court entered the *Stipulation & Order Appointing Chief Restructuring Officer and Establishing Operating Protocol for the Debtors* Craig Boucher as Chief Restructuring Officer (the “**CRO**”) for the Debtors (the “**CRO Appointment Order**,” Docket No. 60). The CRO Appointment Order provides, among other things, that the CRO shall be the sole representative of all of the Debtors’ estates and shall be exclusively vested with all of the powers and duties to operate the Debtors’ businesses pursuant to Bankruptcy Code Sections 1107 and 1008 and in accordance with, and subject to, the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, and the Local Rules of Bankruptcy Procedure.

3. The Court appointed Omni Agent Solutions (“**Omni**”) as notice and claims agent, authorizing it to (a) receive, maintain, record and otherwise administer the proofs of claim filed in these chapter 11 cases, and (b) maintain the Debtors’ official claims register [Docket No. 107].

4. The Debtors filed substantially all of their Statements of Financial Affairs and Schedules of Assets, Liabilities, and Executory Contracts (collectively, the “**Schedules**”) with the Court on October 1, 2020.

5. On November 10, 2020, the Court entered the *Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* (the “**Bar Date Order**,” Docket No. 299).

6. Pursuant to the Bar Date Order, the Court established December 15, 2020 at 5:00 p.m. (Eastern Time) as the general bar date for filing proofs of claim against the Debtors’ estates (the “**Bar Date**”). Additionally, pursuant to the Bar Date Order, the Court established January 25, 2021 at 5:00 p.m. (Eastern Time) as the date by which governmental units, defined under section 101(27) of the Bankruptcy Code, must file proofs of claim against the Debtors (the “**Governmental Bar Date**”).

7. On January 22, 2021, the Court entered the *Order (I) Establishing Bar Date for Filing Administrative Claims Arising from the Petition Date through the Sale Closing Date and (II) Approving the Form and Notice Thereof* (the “**Administrative Bar Date Order**,” Docket No. 426).

8. To date, as reflected in the Debtors’ claims register, approximately 550 proofs of claim have been filed in these chapter 11 cases, including claims scheduled by the Debtors in their Schedules of Assets and Liabilities.

9. In the ordinary course of business, the Debtors maintain books and records that reflect, among other things, the Debtors’ liabilities. The Debtors and their advisors are reviewing, and continuing to reconcile, all prepetition claims, including both claims identified on the Debtors’ Schedules and proofs of claim filed by claimants in these chapter 11 cases.

CLAIMS SATISFIED AFTER THE PETITION DATE

10. In connection with their review of the Schedules and the Debtors' books and records, the Debtors identified certain claims, set forth on **Exhibit A** hereto (the "**Satisfied Claims**"), that have been satisfied in full subsequent to the Petition Date either by a third party or by the Debtors in accordance with the authority granted to the Debtors pursuant to orders entered by the Court, including:

- *Final Order (I) Authorizing Debtors to Pay Certain Prepetition Employee Wages and Salaries, and Related Amounts and Expenses; (II) Authorizing Debtors to Maintain Their Employee-Related Insurance and Benefit Programs Postpetition and Honor any Prepetition Obligations in Respect Thereof; (III) Authorizing Debtors to Make Deductions from Employees' Paychecks; (IV) Authorizing Debtors to Continue Workers' Compensation Programs; (V) Authorizing and Directing Banks and Other Financial institutions to Honor All Checks and Electronic Payments; and (VI) Granting Relief (Docket No. 111) entered September 3, 2020; and*
- *Final Order: (I) Authorizing the Debtors to Obtain Postpetition Financing; (II) Authorizing the Debtors to Use Cash Collateral; (III) Granting Adequate Protection to the Prepetition Secured Parties; (IV) Granting Liens and Providing Claims with Superpriority Administrative Expenses Status; (V) Modifying the Automatic Stay; and (VI) Granting Relief (Docket No. 304) entered November 12, 2020; and*
- *Order (I) Approving Asset Purchase Agreement Among Sellers and Buyer, (II) Authorizing Sale of Substantially All of the Debtors' Assts Free and Clear of Liens, Claims, Interest, and Encumbrances, (III) Authorizing Assumption and Assignment of Certain Executory Contracts and Leases in Connection Therewith, and (IV) Granting Related Relief (Docket No. 392) entered December 22, 2020.*

In addition to those court orders, certain claims were satisfied by payment pursuant to legal statements or court orders applying to each claim specifically.

11. Accordingly, the Debtors intend to designate the Satisfied Claims on their official claims register as having been satisfied in full in the amounts set forth under the heading "**Total Claim Amount**") on Exhibit A.

12. The Debtors are serving this Notice on claimants holding Satisfied Claims (the “**Claimants**”) to provide them an opportunity to object to the Debtors’ determinations that such claims have been satisfied.

RESPONSES

13. By this Notice, the Debtors request that any claimant disputing the Debtors’ determination that such Claimant’s Satisfied Claim has been paid in full file a written response with the Clerk of the Bankruptcy Clerk, One Bowling Green, New York, New York 10004, and serve response on the following addresses: (1) counsel to the Debtors, Alston & Bird LLP, 90 Park Avenue, New York, New York 10016 (Attn: Gerard S. Catalanello and William Hao); (ii) Office of the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, New York 10014 (Attn: Shannon Scott); and (iii) counsel to BSP Agency, LLC, Goodwin Procter LLP, 620 Eighth Avenue, New York, New York 10018 (Attn: Michael H. Goldstein and Howard S. Steel) on or before **May 21, 2021 at 4:00 p.m. (Eastern Time)**. The Debtors will then make a good faith effort to review the Satisfied Claim with the Claimant to determine what indebtedness, if any, remains outstanding under such Satisfied Claim. In the event that the parties are unable to reach a resolution, the Debtors will schedule a hearing to consider whatever any additional amounts are due to such claimant with respect to the Satisfied Claim.

RESERVATION OF RIGHTS

14. The Debtors expressly reserves the right to amend, modify or supplement this Notice and to file objections to any other claim (filed or not) which may be asserted against the Debtors. Notwithstanding anything contained in this Notice or the attached exhibit, nothing herein shall be construed as a waiver of any rights that the Debtors may have may have; (i) bring

avoidance actions under the applicable provisions of the Bankruptcy Code against the holder or any disputed claim; or (ii) to exercise their rights of setoff against the holders of such claims relating to such avoidance actions.

Dated: May 14, 2021

ALSTON & BIRD LLP

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EXHIBIT A

Satisfied Claims Chart

	Proof of Claim/ Scheduled Number	Creditor Name and Address	Debtor	Case No.	Total Amount
1	C723-35	Central Telephone Company – Nevada dba CenturyLink 1025 El Dorado Blvd. Broomfield, CO 80021 bankruptcylegal@Centurylink.com CenturyLink Communications LLC – Bankruptcy 220 N. 5 th Street Bismarck, ND 58501	K.G. IM, LLC	20-11723	\$1,793.30
2	C778-2	Eufelia Flores	IM Long Island Restaurant Group, LLC	20-11731	\$1,425.00
3	C778-1	Patricia E. Fischer 14-18 113rd Pl College Point, NY 11356	IM Payroll, LLC	20-11778	\$7,255.06
4	C723-17	Right Click Office Supplies Corp Dbt Right Click Go 33 West 19 th Street, 4 th Floor New York, NY 10011	K.G. IM, LLC	20-11723	\$27.82