

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

<b>IN RE:</b>	)	
<b>BRUNO'S SUPERMARKETS, LLC,</b>	)	<b>Chapter 11</b>
	)	<b>Case No. 09-00634</b>
<b>Debtor.</b>	)	

**DEBTOR'S MOTION FOR ORDER GRANTING THE DEBTOR AN EXTENSION OF  
TIME WITHIN WHICH TO FILE SCHEDULES AND LIST**

**COMES NOW**, Bruno's Supermarkets, LLC ("Bruno's" or "Debtor"), as debtor and debtor-in-possession and move this Court (this "Motion") for entry of an order, pursuant to § 521 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Rule 1007(a) & (c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Extending the time within which Debtor must file its schedules and statements of financial affairs (collectively, the "Schedules") and its list of equity security holders (the "List"). In support of this Motion, Debtor relies on the *Affidavit of James Grady in Support of Chapter 11 Petition and First Day Motions*. In further support of the Motion, Debtor states as follows:

**JURISDICTION AND VENUE**

1. On February 4, 2009 (the "Petition Date"), Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Clerk of this Court. Debtor continues to operate its business and manage its properties as a Debtor in possession pursuant to §§ 1107(a) and 1108.

2. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of Debtor's chapter 11 case and this Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The

statutory predicates for the relief sought herein are § 521(a) of the Bankruptcy Code, as complemented by Rule 1007(a) & (c) of the Bankruptcy Rules.

### **FACTUAL BACKGROUND**

#### **Company Background and Industry**

3. Bruno's is a privately held company headquartered in Birmingham, Alabama that owns and operates three grocery store chains: Bruno's, Food World, and FoodMax. Combined, Bruno's has a total of 66 locations in Alabama and the Florida panhandle. There are a total of 2 FoodMax locations. Food World has 41 locations with approximately 34 stores in Alabama and 7 stores in Florida. Bruno's has a total of 23 locations with 21 stores in Alabama and 2 stores in Florida. Bruno's employs a total of approximately 4,200 employees, approximately 40% of which are full time employees and approximately 60% of which are part time employees. Bruno's has a total of 2,600 union employees and 1,600 non-union employees. Bruno's is a party to certain collective bargaining agreements with the United Food & Commercial Workers Local #1657 (collectively, the "CBA"), and the majority of Bruno's employees are covered by the CBA.

4. Bruno's was founded in 1933 by Joe Bruno with the opening of an 800 square foot corner grocery store in Birmingham, Alabama. By 1959, Bruno's had grown to be a chain of 10 grocery stores. In 1972, Bruno's launched Food World, which was designed as a chain of discount grocery stores. By the early 1990s, Bruno's was one of the Top 40 grocery store chains in the country as measured by sales volume. In 1995, after a prolonged period of stagnant sales and earnings, Bruno's was acquired by Kohlberg Kravis Roberts & Co in a leveraged buyout. Due to the significant debt incurred by Bruno's through the leveraged buyout and substantial losses in 1996 and 1997, Bruno's filed for bankruptcy under chapter 11 of the Bankruptcy Code in early 1998. At the time of Bruno's emergence from bankruptcy in 2000, Bruno's operated

approximately 152 stores in Alabama, Georgia, Florida and Mississippi. Bruno's was acquired, in 2001, by Ahold USA, Inc., the U.S. subsidiary of Royal Ahold, an international supermarket conglomerate. In 2005, Bruno's was sold to Lone Star Fund V (U.S.), L.P. ("Lone Star Five"), one of the funds held by the private equity firm Lone Star Funds. Following the sale to Lone Star Five, Bruno's sold approximately 100 of its stores to C & S Wholesale Grocers.

### **Debt Structure**

5. Bruno's has a revolving line of credit with Regions Bank (the "Revolver"). The current amount outstanding under the Revolver is approximately \$10.8 million. The Revolver is secured by the majority of Bruno's assets. Bruno's owes approximately \$22.5 million in accounts payable to trade and other creditors. There is also approximately \$6.8 million owed to various state and local taxing authorities. Bruno's also owes an affiliated company, Bi-Lo, LLC ("Bi-Lo"), approximately \$3.5 million.

6. The vast majority of Bruno's grocery stores are located on leased property. Bruno's does, however, own the real property on which five of its stores are located.

### **Events Leading to Bankruptcy**

7. Debtor's bankruptcy filing has been precipitated by a variety of factors that have led to a deterioration in Bruno's business and a lack of liquidity. Over the past 18 months, the country has seen a significant decline in the economy as a whole. The economic decline has resulted in a significant decrease in consumer spending, including food and grocery items. This decreased demand has led to a decline in Bruno's sales.

8. Furthermore, Bruno's has also seen an increased amount of competition in its core market from other grocers. With an abundance of older locations, Bruno's has had difficulty

competing with the newer grocery stores that have moved into its markets. This increased competition from newer grocery stores has reduced Bruno's market share.

9. Additionally, the frozen credit markets have limited the availability of capital for improvements to Bruno's stores to allow Bruno's to compete with the newer stores of its competitors. Furthermore, the lack of available capital has resulted in Bruno's being unable to locate sufficient working capital with which to operate its stores.

**RELIEF REQUESTED**

10. Pursuant to Bankruptcy Rule 1007(b) and (c) Debtor is required to file the Schedules within the first fifteen (15) days after the Petition Date (the "Fifteen-Day Period"). In this case, the expiration of the Fifteen-Day Period is February 19, 2009.

11. By this Motion, Debtor requests entry of an order extending Debtor's time to file the Schedules and List for an additional forty-five (45) days through and including March 21, 2009.

12. Bankruptcy Rule 1007(c) provides that "[e]xcept as provided in § 1116(3) of the Code, any extension of time for the filing of the schedules, statements, and other documents may be granted only on motion for cause shown and on notice to the United States Trustee and to any committee . . . trustee, examiner, or other party as the court may direct." FED. R. BANKR. P. 1007(c). Bankruptcy Rule 1007(a)(3) additionally provides for extensions of the time for filing equity security holder lists, for cause. Accordingly, this Court has the authority to grant the extension requested herein.

13. Debtor is in the process of compiling and organizing the information required for the Schedules and List, but the finalization of these documents will extend past the Fifteen-Day Period. Debtor has been primarily focused on accessing its business operations and negotiating a course of action.

14. Debtor is a large and complex business. Because of (a) the substantial size and scope of Debtor's business; (b) the complexity of its financial affairs; and (c) the press of numerous business matters incident to the commencement of this case, it was impracticable for Debtor to assemble all of the information necessary to complete the Schedules and List prior to the Petition Date.

15. Moreover, Debtor has thousands of known and potential creditors. Under the circumstances, Debtor submits that the Fifteen-Day Period within which to file the Schedules and List under Bankruptcy Rule 1007(a) and (c) will not provide Debtor with sufficient time to complete the Schedules and List.

16. The substantial size, scope and complexity of this case, and the volume of material that must be compiled provides ample "cause" justifying the requested extension beyond the Fifteen-Day Period.

17. Debtor believes that an extension, for an additional forty-five (45) days, of the deadline to file the Schedules and List would be appropriate at this time. Debtor requests that such extension be without prejudice to its right to seek one or more further extensions of this deadline from the Court. Additionally, Debtor will work with the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Administrator") and any subsequently officially-appointed committee of creditors to make available sufficient financial data and creditor information prior to the initial § 341 meeting to be timely held.

18. For these reasons, Debtor requests that the Court (1) grant Debtor forty-five (45) days from the Petition Date to file all Schedules and its List, subject to Debtor's right to seek further extensions from the Court.

19. Based on the foregoing reasons, Debtor submits that good and sufficient cause exists for granting Debtor additional time to file the Schedules and List.

**NOTICE AND PRIOR MOTIONS**

20. Notice of this Motion has been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to Regions Bank, Debtor's pre-petition lender; (3) counsel for Debtor's proposed post-petition lender; (4) the holders of Debtor's equity interests; (5) Debtor's twenty (20) largest unsecured creditors; and (6) the District Director of the Internal Revenue Service for the Northern District of Alabama.

21. No previous request for the relief requested herein has been made to this Court.

**WHEREFORE**, Debtor respectfully requests that this Court enter an order substantially in the form annexed hereto as Exhibit "A," and grant such other and further relief as this Court deems just and proper.

/s/ Marc P. Solomon

Robert B. Rubin

Derek F. Meek

Marc P. Solomon

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BRUNO'S SUPERMARKETS, LLC

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"Exhibit A"

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<b>Debtor.</b>	)	<b>Case No. 09-00634</b>
	)	

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**ORDER GRANTING DEBTOR AN EXTENSION OF TIME  
WITHIN WHICH TO FILE SCHEDULES AND LIST**

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This matter came to be heard upon the motion (the "Motion") of Bruno's Supermarkets, LLC ("Bruno's" or "Debtor") for entry of an order, pursuant to § 521 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Rule 1007(a) & (c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), granting Debtor an extension of time within which to file its schedules and statements of financial affairs (collectively, the "Schedules") and its list of equity security holders, (collectively, the "List"); the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; due notice of the Motion having been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to Regions Bank, the Debtor's pre-petition lender; (3) counsel for the Debtor's proposed post-petition lender; (4) the holders of the Debtor's equity interests; (5) the Debtor's twenty (20) largest unsecured creditors; and (6) the District Director of the Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of Debtor, its creditors, and all parties in interest; upon the Motion

and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that the Motion is **GRANTED**; and it is further

**ORDERED** that Debtor's time within which to file the Schedules and List is extended for an additional forty-five (45) days through and including March 21, 2009; and it is further

**ORDERED** that the extension of time to file the Schedules and List is without prejudice to Debtor's ability to request additional time should it become necessary; and it is further

**ORDERED** that the Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated this the \_\_\_\_\_ day of February 2009.

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**UNITED STATES BANKRUPTCY JUDGE**