

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:	)	Chapter 11, Subchapter V
)	
	)	<u>Case Numbers</u>
J & S CONCEPTS LLC;	)	3:24-bk-00066
PARTY FOWL COOL SPRINGS LLC;	)	3:24-bk-00067
PARTY FOWL DESTIN LLC;	)	3:24-bk-00068
PARTY FOWL DONELSON LLC;	)	3:24-bk-00069
PARTY FOWL HAMILTON PLACE LLC;	)	3:24-bk-00070
PARTY FOWL MURFREESBORO LLC;	)	3:24-bk-00071
)	
Debtors.	)	Judge Randal S. Mashburn
)	
	)	JOINT ADMINISTRATION
	)	REQUESTED

COMPANY PROFILE

The above-captioned debtors (the “Debtors” or “Party Fowl”) jointly file this statement of their company profile¹ in support of motions to be filed in this case. To avoid unnecessarily lengthy motions that recite the Debtors’ profile and background, the Debtors intend to reference and incorporate this company profile in current and future motions.

Party Fowl is a Nashville-based hot chicken restaurant concept. Party Fowl offers its customers a chef-driven hot chicken experience in a unique, laid-back atmosphere, together with a focus on local beer, boozy slushies, creative spins on classic southern dishes, and weekend brunch. Party Fowl’s initial success upon its founding in 2014 drove expansion to a total of six locations, plus a licensed location in the Nashville International Airport and a location inside of Nissan Stadium, home of the Tennessee Titans. While it has expanded over the past ten years, Party Fowl is not a franchise. Instead, each location – each Debtor in these cases – is owned and

¹ The Debtors expressly reserve their right to supplement and amend this profile. It is based on information available to counsel at the time of filing.

operated by the original owner-operator team of Austin Smith and Nick Jacobson, and each location is under the culinary supervision of Party Fowl's original Executive Chef, Bart Pickens. Consistency and continuity have been integral to Party Fowl's success and growth.

However, while growth may be linear, the challenges arising from growth have a tendency to be exponential. Party Fowl successfully opened its Murfreesboro location in late 2017, followed by its very profitable Donelson location in mid 2018. The natural expansion model indicated a Williamson County location, and Party Fowl logically opened its Cool Springs location on March 2, 2020. This unfortunate timing started a snowball of debt that was only exacerbated by the subsequent opening of locations in Chattanooga and Destin which have failed to take hold as of yet. Party Fowl still has a great product and great experience to offer its loyal customer base. It simply needs the tools offered by Chapter 11, Subchapter V to right the ship, change course, and chart a better future.

Background

J & S Concepts LLC d/b/a "Party Fowl" operates the Party Fowl Nashville location in the Gulch at 719 8th Avenue South, Nashville, Tennessee. It opened for business on September 28, 2014 and currently has 40-45 employees. J & S Concepts owns the registered trademarks for Party Fowl and the restaurant's famous Poultrygeist seasoning. Party Fowl Nashville was under contract to move across the street – to the former Pour House and Fat Kat Slims location – but that move fell through, largely due to the entities' financial difficulties.

Party Fowl Murfreesboro opened on December 26, 2017 and is located at 127 SE Broad Street, Murfreesboro, Tennessee. Party Fowl Murfreesboro currently has 30-35 employees.

Party Fowl Donelson is located at 2620 Lebanon Pike, Nashville, Tennessee. It opened for business on August 1, 2018 and has 60-65 employees, including all corporate employees.

Party Fowl Cool Springs operates near the Cool Springs Mall at 1914 Galleria Boulevard, Franklin, Tennessee. It opened for business on March 2, 2020 and currently has 40-45 employees.

Party Fowl Hamilton Place opened at 2100 Hamilton Place Boulevard #238 in Chattanooga, Tennessee on April 5, 2021. It currently has approximately 20 employees.

Party Fowl Destin is the newest Party Fowl, opening on March 25, 2022. It is located at 4260 Legendary Drive, Destin, Florida, and currently employs 10-15 individuals.

Factors Leading to Filing

The Party Fowl locations in Nashville, Murfreesboro and Donelson were a successful, profitable trio. They had minimal long-term debt, virtually no short-term debt, dedicated customers, name recognition to attract tourists, and a thriving operation. Like many other similarly situated Middle Tennessee restaurants, Party Fowl's management made the logical decision to expand – first to Williamson County, then to Chattanooga. While expansion comes with exciting new opportunities and a chance to reach new customers, expansion also comes with significant cash outlay, which drained the reserves of the Nashville, Murfreesboro and Donelson locations. Expansion also necessitates incurring new debt and paying new operating expenses – both day-to-day and long term – on which J & S Concepts was co-obligated.

Unfortunately for Party Fowl, the new Cool Springs and Chattanooga locations, along with their associated depleted cash reserves and increased day-to-day cash demands hit at the worst possible time – just before and then during the COVID-19 pandemic. It is hard to think of a worse time for a group of restaurants to have less cash and more expenses.

Quite frankly, it's a miracle and a testament to the various economic incentive programs offered by the federal government that Party Fowl was able to survive this series of unfortunate events. What is even more remarkable is that, in spite of these challenges, Party Fowl was able to

open its sixth location – in Destin, Florida – in early 2022. However, and unfortunately for Party Fowl, the two newest locations – Chattanooga and Destin – have failed to gain a foothold and been Party Fowl’s two worst performing locations. In addition to supporting these two locations, the other Party Fowl locations have dealt with inflationary pressure, higher wages and turnover among staff, higher food costs, and lower demand across the restaurant industry. It has not been an easy time to be a restaurant – it has been an especially difficult time to be Party Fowl. Any remaining cash reserves dwindled to nothing, and Party Fowl turned to expensive money, hoping that operations would turn the corner. Over the past year and a half, Party Fowl has made enough money to service increasing amounts of expensive merchant debt (while continuing to incur additional merchant debt) and keep each location’s doors open. Party Fowl has fallen behind on rent, is in arrears on taxes, and was forced to terminate its plans to move its flagship restaurant into a larger location with dedicated parking.

In the face of – and in spite of – all of these challenges, Party Fowl’s management and staff have found a way to press forward, to continue to provide great food and service to their customers, and to hope for a less fraught, more profitable future. Party Fowl’s management made the decision to file for Chapter 11, Subchapter V bankruptcy for each location in order to stop the hemorrhaging of cash to merchant lenders, provide a mechanism to ensure that its other lenders, landlords, and vendors will get paid, and to get a control on the global debt picture in order to return each location to profitability.

The Path Forward

Party Fowl has existing, proven management in place for each Debtor and a track record of outstanding performance. However, Party Fowl’s ability to continue making money is limited by its current real-time cash pressures, which have forced Party Fowl’s management to make

difficult decisions concerning payroll, staffing, food and beverage – not to mention taxes and falling behind on rent. By pressing pause on its non-critical but highly damaging financial obligations, Party Fowl hopes to build sufficient cash to satisfy priority and administrative claims under a Chapter 11 plan of reorganization and regain control of daily cash flows, all while satisfying Party Fowl’s creditors over a more palatable payment plan that does not sap Party Fowl of the ability to operate, whether individually or in the aggregate. Party Fowl needs the breathing spell offered by the Bankruptcy Code to implement the necessary operational changes, potentially obtain Debtor-in-Possession financing, eliminate burdensome contracts and expenses, and truly understand its cash flows without the day-to-day pressure of merchant creditor sweeps. Party Fowl intends to file a joint Plan of Reorganization well before the Subchapter V deadline.

Respectfully Submitted,

/s/ R. Alex Payne

R. Alex Payne

Gray Waldron

Henry E. “Ned” Hildebrand IV

DUNHAM HILDEBRAND, PLLC

2416 21st Avenue South, Suite 303

Nashville, Tennessee 37212

629.777.6539

alex@dhnashville.com

gray@dhnashville.com

ned@dhnashville.com

Counsel for Debtors

CERTIFICATE OF SERVICE

On January 10, 2024, the foregoing was served via CM/ECF on all parties consenting to electronic service in this case, and by regular mail, email, or fax (as applicable) to (i) each Debtor's twenty largest creditors, (ii) the Office of the United States Trustee, and (iii) each Debtor's secured creditors.

/s/ R. Alex Payne _____
R. Alex Payne