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Major Recent Chapter 11 Filings: DavidBartonGym & No Fear Retail Stores

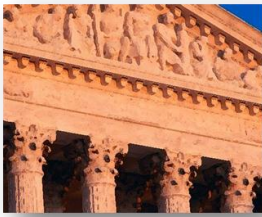
Several significant cases were filed recently across the country. Below, we have provided brief summaries of the case filings as well as links to some of the major pleadings that have been filed in the cases.

Club Ventures Investments LLC (Does Business As DavidBartonGym)

Club Ventures Investments and several affiliated companies, which operate the chain of DavidBartonGym fitness clubs in New York City, Chicago, Miami and Seattle, voluntarily filed for chapter 11 protection on March 2nd in New York. In total, the companies' six clubs have 13,500 members and generated 2010 revenue of \$28.3 million. Club Ventures does not own any of the real estate where its clubs or executive offices are located (all are leased), but does have pre-bankruptcy debt of approximately \$65 million. Major debt holders include Bank of America, Praesidian Capital Investors, LP, and LNB Holding LLC. Praesidian and LNB are also holders of equity in the debtors. The companies blamed their current troubles on their rapid expansion, which was less successful than they had anticipated. In December 2010, Club Ventures entered into a management agreement with Meridian Sports Club California, LLC, which operates 12 fitness clubs in California and Hawaii. The current cases have been prenegotiated with Praesidian and LNB, both of whom entered into a Plan Support Agreement prior to the chapter 11 filings.

Key bankruptcy court filings in the cases to date include the following:

- [Amended Voluntary Petition \(Chapter 11\). Order for Relief Entered. Filed by David B. Shemano of Peitzman, Weg & Kempinsky LLP on behalf of Club Ventures Investments LLC](#)
- [Declaration of Stephen Schwartz, Chief Financial Officer of Club Ventures Investments, LLC, Pursuant to Local Bankruptcy Rule 1007-2 and in Support of First Day Motions](#)
- [Motion of the Debtors for Entry of an Order Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue in the Ordinary Course of Business Their Customer Programs and Practices](#)
- [Motion for Interim and Final Orders Under 11 U.S.C. §§ 361, 363 and 364: \(A\) Authorizing Debtors to Incur Postpetition Indebtedness, \(B\) Granting Security Interests, \(C\) Authorizing Use of Cash Collateral, \(D\) Authorizing Adequate Protection and \(E\) Granting Other Relief filed by David B. Shemano on behalf of Club Ventures Investments LLC](#)



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- [Order Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue in the Ordinary Course of Business Their Customer Programs and Practices](#)
- [Interim Order \(I\) Authorizing the Debtors \(A\) obtain junior secured superpriority postpetition financing pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507, and \(B\) Utilize Cash Collateral of prepetition secured lenders, \(II\) Granting Adequate Protection to the prepetition secured lenders, and \(III\) Granting Other Related Relief](#)

All major court filings can be accessed at:

http://www.chapter11cases.com/Club-Ventures-Investments-LLCdba-DavidBartonGym_c_23302.html#axzz1FzfhSJly

No Fear Retail Stores

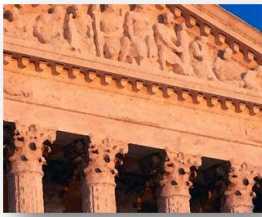
No Fear Retail Stores, Inc. and two affiliated companies filed for chapter 11 protection on February 24th in the Southern District of California. The companies, headquartered in Carlsbad, California, were founded in 1990 and develop casual apparel under the "No Fear" brand name. The brand reached its peak popularity in 1995 when sales were approximately \$140 million. Sales fell in the years after 1995 and the companies changed strategy, focusing on smaller retailers rather than department stores and "big box" retailers. They also began opening their own retail stores in 1999 and had opened 20 company stores by 2004 (at a cost of \$250,000 to \$400,000 per location).

No Fear had 55 retail locations (all leased) at the end of its 2010 fiscal year (August 31). However, same store sales in its stores decreased 19.4% in fiscal year 2009 and another 10.2% in the first three quarters of fiscal year 2010. Total fiscal year 2010 revenues from the stores were \$37.6 million, which generated a small EBITDA loss. Since September 30, 2010, No Fear has closed 12 of its retail locations and had 41 remaining locations as of the bankruptcy filing.

The companies blamed their focus on the Southwestern United States, unwillingness by landlords to renegotiate leases, and the high cost of failed attempts in 2009 and 2010 to raise additional funding through a reverse merger with Gatorz Inc. for the bankruptcy filing. Court documents state that the companies hope to reorganize around an even smaller number of stores by securing third party financing.

Key bankruptcy court filings in the cases to date include the following:

- [Chapter 11 Voluntary Petition](#)



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- [Debtors' Emergency First Day Motion For Order Authorizing Debtor To Honor And Comply With Certain Customer Obligations](#)
- [Emergency First Day Motion For Order Directing Credit Card Processor And Party To Credit Card Receivables Advance Agreement To Honor Agreements With The Debtor Pending Assumption Or Rejection](#)
- [Emergency First Day Motion For Order Approving Debtors Rejection Of Unexpired Leases Of Nonresidential Real Property](#)
- [Emergency "First Day" Motion Pursuant To Section 363\(c\) Of The Bankruptcy Code And Rule 4001\(b\) Of The Federal Rules Of Bankruptcy Procedure For Interim And Final Orders Authorizing Use Of Cash Collateral; Memorandum Of Points And Authorities](#)
- [Omnibus Declaration Of Mark Simo In Support Of Debtors' First-Day Motions filed by Steven F. Werth of SulmeyerKupetz on behalf of No Fear Retail Stores, Inc.](#)
- [Order Regarding Debtor's Motion for Use of Cash Collateral](#)
- [Order Regarding Motion Authorizing Debtor To Honor and Comply with Customer Obligations](#)
- [Order Regarding Motion to Reject Unexpired Leases](#)
- [Order Regarding Motion Directing Credit Card Processor/Party To Honor Agreements](#)

All major court filings can be accessed at:

http://www.chapter11cases.com/No-Fear-Retail-Stores-Inc_c_23295.html#axzz1FzfhsJly