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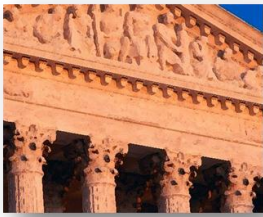
## *Operator of 92 Burger King Franchises, Duke & King Acquisition Corp., Files for Chapter 11 Protection Seeks Authority to Sell All Assets*

Duke & King Acquisition Corp., which operated 92 (now 87) Burger King franchises in Minnesota, Missouri, Illinois, Wisconsin, Iowa and Kansas but filed for chapter 11 bankruptcy protection in early December of last year, asked the Minnesota bankruptcy court to approve [procedures for the sale of substantially all of its assets](#) on Friday. Among other things, the company's bankruptcy filing ([more information on the bankruptcy filing can be found here](#)) was motivated by the obligation under a settlement agreement with Burger King Corporation to sell 52 of the franchise locations by December 30, 2010 or have the company's rights under their Burger King franchise agreements terminate with respect to those 52 locations.

Friday's motion, while obviously not completing a sale within the settlement agreement's timeframe, goes further and seeks procedures to govern the sale of essentially all of Duke & King's assets. As of Friday, Duke & King had not identified a stalking horse bidder for the assets, but is seeking the authority to identify one or more such bidders through this process and provide them with stalking horse protections. The proposed procedures also seek to sell the assets in two lots - first, a group of 74 Burger King store locations and, second, a group of the remaining 13 locations (the locations to be included in each lot are listed in a [schedule to the bankruptcy court filing](#)). Bidders would be free to bid for all of the store locations, but would have to submit separate bids for both lots. The essential difference between the two lots is that the smaller lot includes those store locations which Duke & King has identified as underperforming and having significant past-due capital expenditure obligations.

Among the key elements of the proposed sale procedures are:

- To be considered a "Qualified Bidder" (i.e., a party entitled to submit a bid for either group of assets), the potential bidder must seek approval as a new franchisee from Burger King Corporation. More details on Burger King's franchisee approval process are also included in [court documents](#).
- The deadline for submission of bids is proposed to be set as March 22, 2011 at 5:00 p.m. (Central).
- To constitute a "Qualifying Bid," a bid must include a cash deposit equal to 10% of the proposed purchase price.



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- Auctions are proposed to be held on March 28, 2011 (Group One assets) and March 29, 2011 (Group Two - Underperforming assets).
- A sale hearing is proposed to be scheduled for March 31, 2011.

A copy of the [sale procedure motion, proposed sale procedures, list of store locations in each group, and Burger King approval process](#) can be downloaded [here](#).

*For access to all major pleadings filed in this case, please visit [http://www.chapter11cases.com/Duke-and-King-Acquisition-Corpdba-92-Burger-King-Franchises\\_c\\_10997.html](http://www.chapter11cases.com/Duke-and-King-Acquisition-Corpdba-92-Burger-King-Franchises_c_10997.html)*