

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

FEB 3 2004

OFFICE OF
MANAGING DIRECTOR

Mark J. Tauber
Tashir J. Lee
Piper Rudnick LLP
1200 19th Street, N.W., Suite 700
Washington, DC 20036-2412

Re: Petition for Waiver of Application Fees
Yorkshire Global Restaurants, Inc.
Fee Control No. 0204168994165001

Dear Counsel:

This letter responds to your petition for waiver and refund of the application fees dated November 21, 2003, in the amount of \$28,800 for transfer of control of 576 business radio licenses from Long John Silver's, Inc. (Debtor in Possession) (LJSDP) to Yorkshire Global Restaurants, Inc. (Yorkshire).

You state that in 1998, Long John Silver's Restaurants, Inc. (LJS), on its own behalf and on behalf of all of its subsidiaries, filed a petition in the United States Bankruptcy Court for the District of Delaware to reorganize the company under Chapter 11 of the United States Bankruptcy Code. Yorkshire purchased LJS out of bankruptcy in 1999. You recite that you subsequently learned in the course of negotiations for the sale of LJS that Commission consent to assign the licenses to LJSDP at the time of the bankruptcy filing and later to transfer control of the licenses from LJSDP to Yorkshire was never obtained. After consulting the Commission's staff regarding these matters and being advised to file the requisite applications, on April 9, 2002, LJSDP filed an application for consent to transfer control of the licenses to Yorkshire and paid the filing fees.¹ You request a waiver and refund of these fees on the basis of financial hardship.

Section 1.1117 of the Commission's rules, 47 C.F.R. § 1.1117, provides that filing fees may be waived upon a showing of good cause and a finding that the public interest will be served thereby. See Establishment of a Fee Collection Program To Implement the Provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, 3 FCC Rcd 3558, 3572-73 (1990). Section 1.1117 further provides that an applicant seeking a waiver of the filing fee requirement include the applicable fee with its waiver request, and also provides that the fee will be returned if the waiver is granted. Id.

¹ On March 22, 2002 LJS filed an application for pro forma assignment of the licenses to LJSDP and thereafter paid the filing fees. On May 10, 2002, the Commission granted a waiver and refund of the fees on the basis of financial hardship.

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2.

In light of the Commission's stated policy in this regard, we find that the bankruptcy filing involving LJS demonstrates good cause for waiver and refund of the filing fees subsequently paid in connection with the subject application for transfer of control to Yorkshire. See *MobileMedia Corporation*, 14 FCC Rcd 8017, 8027 (1999) (bankruptcy establishes good cause for waiver of filing fee).

A check, made payable to the maker of the original check and drawn in the amount of \$28,800, will be sent to you at the earliest practicable time. If you have any questions concerning this refund, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,



 Mark Reger
Chief Financial Officer

0207168994165001

Piper Rudnick

RECEIVED & INSPECTED
NOV 25 2003
MAILROOM

1200 Nineteenth Street, N.W.
Washington, D.C. 20036-2412
main 202.861.3900 fax 202.223.2085

MARY ASHWORTH
mary.ashworth@piperrudnick.com
direct 202.689.7289 fax 202.689.7416

November 21, 2003

Tom Putnam
Federal Communications Commission
Office of Managing Director
445 12th Street, N.W.
Room 1A 842
Washington, DC 20554

Re: Yorkshire Global Restaurants, Inc.

Dear Mr. Putnam:

In response to our telephone conversations, I am sending to you a copy of the April 15, 2002 date stamp-in Petition for Waiver of filing fees for transfer of control of 576 business radio licenses from Long John Silver's, Inc. (Debtor in Possession) ("LJSDP") to Yorkshire Global Restaurants, Inc. ("Yorkshire") (File No.000842187).

At the time the Petition was filed, the Commission had not acted on the Petition for Waiver of filing fees for the *pro forma* assignment of license application (File No. 000821516) of 577 business radio licenses from Long John Silver's Inc. ("LJS") to Long John Silver's Inc. (Debtor in Possession) ("LJSDP").

Thank you for your assistance in tracking the status of the refunds to our client.

Sincerely,



Mary Ashworth
Paralegal

/ma
Enclosure

2003 NOV 25 PM 3:31
11/21/03

12/1/03

**DATE STAMP
AND RETURN**

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

RECEIVED

APR 15 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Request for Waiver of) Docket No. _____
Section 1.1102 of the)
Commission's Rules)

To: Office of Managing Director

PETITION FOR WAIVER

Yorkshire Global Restaurants, Inc. ("Yorkshire"), on its behalf and on behalf of Long John Silver's, Inc. (Debtor in Possession) ("LJSDP"), pursuant to Sections 1.3 and 1.1117(e) of the Commission's rules, hereby requests that the Commission waive Section 1.1102 of its rules, which imposes a fifty dollar (\$50) regulatory fee on an applicant for consent to transfer control of a private mobile radio service license.¹ On April 9, 2002, LJSDP filed with the Commission an application for consent to transfer control of 576 business radio licenses (the "Licenses") to Yorkshire.² The fee for this transfer of control would otherwise be \$ 28,800. However, it is the Commission's policy to "waive the regulatory fees for licensees whose stations are bankrupt,

¹ As required by Section 1.1117(e) of the rules, this petition is being submitted simultaneously with LJS's Form 159 and the associated filing fee.

² Application file number 0000842187.

undergoing Chapter 11 reorganizations or in receivership.”³ As set forth in more detail below, Yorkshire requests that the Commission waive the regulatory fees in this instance and refund the accompanying payment in accordance with Section 1.1113(a)(5) of its rules.

DISCUSSION

In 1998, Long John Silver’s Restaurants, Inc., on its own behalf and on behalf of all of its subsidiaries, filed a petition in the United States Bankruptcy Court for the District of Delaware seeking to reorganize the company under Chapter 11 of the United States Bankruptcy Code.⁴ As part of the disposition of that matter, Yorkshire purchased Long John Silver’s, Inc. (“LJS”) out of bankruptcy in 1999.⁵ Under the Commission’s rules and jurisprudence, the act of filing bankruptcy and the emergence from bankruptcy each results in a change of licensee ownership that requires prior Commission consent. Thus, the Commission’s consent was required both for the assignment of the Licenses to LJSDP (i.e., entering bankruptcy) and for the transfer of control of the Licenses to Yorkshire (i.e., emerging from bankruptcy). Due diligence recently conducted by Yorkshire in the context of negotiating an agreement to sell LJS revealed that the Commission’s consent was not obtained in either instance.

Yorkshire immediately contacted the Commission when it discovered the LJS licensing deficiencies. On March 8, 2002, counsel for Yorkshire met with Commission Staff to attempt to

³ *Implementation of Section 9 of the Communications Act Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, MD Docket No. 94-19, Memorandum Opinion and Order, ¶ 14, FCC 95-257, 10 FCC Rcd 12759 (rel. June 22, 1995). (“MO&O”)

⁴ *In Re: Long John Silver’s Restaurants, Inc., et al*, Case Nos. 98-1164-69.

⁵ Attached as Exhibit A is a copy of the LJS bankruptcy order.

resolve the licensing matters.⁶ Staff instructed Yorkshire to recreate the required licensing “regulatory trail” by, first, filing an application for consent to the *pro forma* assignment of the Licenses to LJSDP, and then, after Commission action on the first application, to file a second application for consent to transfer control of the Licenses from LJSDP to Yorkshire. Yorkshire filed the first application on March 22, 2002. At the same time, Yorkshire paid the fee, but filed a *Petition for Waiver of the fee*. The application was granted on April 5, 2002. The *Petition for Waiver* is still pending.⁷

Yorkshire hereby requests that the Commission waive the fees assessed for the transfer of control of the Licenses from LJSDP to Yorkshire. Imposing a regulatory fee for the assignment or transfer of control of a license held by a bankrupt licensee can have a significant chilling effect on that licensee’s ability to transfer its assets out of bankruptcy. The Commission recognized this negative effect, noting recently that, “where a bankruptcy trustee, receiver, or debtor in possession is negotiating a possible transfer of a license, the regulatory fee could act as an impediment to the negotiations and the transfer of the station to a new licensee,” and holding that it “will waive the regulatory fees for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization or in receivership.”⁸ The fee imposed on this particular transaction –

⁶ Undersigned counsel were present for Yorkshire. John Borkowski (WTB), Jeff Tobias (WTB), Michael Wilhelm (WTB/Enforcement), Mary Schultz (WTB), Annette Ritchie (WTB), and Sandra Danner (WTB) were present for the Commission.

⁷ A copy of the April 1, 2002 *Petition for Waiver* is attached hereto as Exhibit B and all of the arguments contained therein are incorporated herein by reference, as they apply equally to the second application filed by Yorkshire simultaneously herewith.

⁸ See MO&O at ¶ 14.

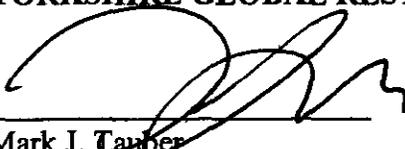
approaching \$30,000 – certainly fits squarely within the Commission’s expressed concern. It should be waived.

Wherefore, in light of the foregoing, Yorkshire respectfully requests that the Commission grant this request for waiver and refund to Yorkshire the \$ 28,800 application fee filed simultaneously herewith.

Respectfully submitted,

YORKSHIRE GLOBAL RESTAURANTS, INC.

By:



Mark J. Tauber
Tashir J. Lee

Piper Rudnick LLP
1200 19th Street, N.W.
Suite 700
Washington, D.C. 20036
(202) 861-3900

Its Attorneys

Date: April 15, 2002

Exhibit A

ORIGINAL

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----x	
In re:	:
	:
LONG JOHN SILVER'S	:
RESTAURANTS, INC., et al.	:
	:
Debtors.	:
-----x	

Chapter 11
Case Nos. 98-1164 to
98-1169 (MPW)

(Jointly Administered)

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND
ORDER UNDER SECTION 1129(a) OF THE BANKRUPTCY
CODE AND RULE 3020 OF THE BANKRUPTCY RULES
CONFIRMING DEBTORS' AMENDED JOINT PLAN OF
REORGANIZATION DATED JUNE 28, 1999

CERTIFIED:
AS A TRUE COPY:
ATTEST:

STEPHEN L. TAYLOR, CLERK
U. S. BANKRUPTCY COURT

[Handwritten Signature]
BY *[Handwritten Name]*
CLERK

RECITALS

A. Long John Silver's Restaurants, Inc. ("LJSR" or the "Company"),
Abbott Advertising Agency, Inc., Florenz, Inc., Long John Silver's Properties, Inc., QSC,
Inc. ("QSC") and Long John Silver's, Inc. ("LJS"), the above-captioned debtors and
debtors in possession (each a "Debtor," and collectively, the "Debtors"), filed the
Debtors' Amended Joint Plan Of Reorganization, dated June 28, 1999 (the "Plan") and
the Debtors' Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy
Code for the Amended Joint Plan Of Reorganization, dated June 28, 1999 (the
"Disclosure Statement"). All capitalized words contained herein and not otherwise
defined herein shall be defined for purposes hereof as defined in the Plan.

B. On May 28, 1999, the Debtors filed a motion seeking the entry of
an Order (i) approving the Joint Disclosure Statement of Debtors in Connection with
Solicitation of Ballots with Respect to Joint Plan of Reorganization Under Chapter 11 of
the Bankruptcy Code, dated May 28, 1999, (ii) approving the Debtors' proposed

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solicitation package relating to Debtors' Joint Plan of Reorganization, dated May 28, 1999, (iii) approving the form and manner of notice of the hearing on confirmation of the Debtors' Plan, (iv) establishing a record date and approving procedures for distribution of solicitation packages, (v) approving forms of ballots, (vi) establishing the last date for the receipt of ballots, (vii) approving procedures for tabulating acceptances and rejections of the Plan, (viii) establishing a deadline and procedures for filing objections to confirmation of the Plan, (ix) establishing a bar date for administrative claims, (x) approving the procedure for and form of notice of the amount of cure payments under executory contracts and unexpired leases, and (xi) granting related relief. Notice of the hearing to consider approval of the Disclosure Statement and the last day for filing objections to the Disclosure Statement was sent on or about May 28, 1999, by first class mail, postage prepaid, to all of the Debtors' known creditors, equity security holders, the office of the United States trustee and the District Director of Internal Revenue for the District of Delaware. Affidavits of service attesting to the fact that such notice was given have been filed with the Court.

C. On June 28, 1999 at 2:00 p.m., this Court held a hearing to consider the adequacy of the Disclosure Statement. On June 30, 1999, this Court entered an Order (i) Approving Amended Disclosure Statement, (ii) Approving Solicitation Package and Form and Manner of Notice of Confirmation Hearing, (iii) Scheduling Confirmation Hearing, (iv) Establishing Record Dates and Approving Procedures for Distribution of Solicitation Packages, (v) Approving Forms of Ballots, (vi) Establishing Last Date for Receipt of ballots, (vii) Approving Procedures for Vote Tabulation, (viii) Establishing Deadline and Procedures for Filing Objections to Confirmation of the Plan, (ix) Establishing a Bar Date for Administrative Claims, (x) Approving Procedures

Related to, and Approving Form and Manner of Notice of, Cure Payment Amounts, and (xi) Granting Related Relief (the "Disclosure Statement Order").

D. On or about July 6, 1999, pursuant to the terms of the Disclosure Statement Order, the Debtors caused Apple Direct Mail Services Ltd. (the "Mailing Agent") to timely mail:

(i) to holders of Class 1 Claims, Class 4 Claims and Class 5 Claims entitled to vote on the Plan, (A) the Disclosure Statement (with the Plan attached as an exhibit), (B) a notice of the confirmation hearing substantially in the form attached as Exhibit A to the Disclosure Statement Order, (C) a ballot, (D) a recommendation letter from the Debtors' Chief Executive Officer, (E) a recommendation letter from the Creditors' Committee and (F) a notice of the last date for filing proofs of administrative claims against the Debtors, substantially in the form attached as Exhibit G to the Disclosure Statement Order (the "Administrative Bar Date Notice");

(ii) to holders of Class 2 Claims and Class 3 Claims (A) a notice of the confirmation hearing substantially in the form attached as Exhibit C to the Disclosure Statement Order and (B) an Administrative Bar Date Notice; and

(iii) to holders of Class 6 Interests and Class 7 Interests (A) the Disclosure Statement (with the Plan attached as an exhibit), (B) a notice of the confirmation hearing substantially in the form attached as Exhibit E to the Disclosure Statement Order and (C) an Administrative Bar Date Notice.

The items listed in clauses (i), (ii) and (iii) of this paragraph D collectively are referred to herein as the "Solicitation Packages." The Mailing Agent has filed with the Court an Affidavit of Mailing of the Solicitation Packages (the "Affidavit of Mailing").

E. On August 4, 1999, the Court held a hearing to consider approval of the Stipulation and Agreed Order Resolving Objections to Proofs of Claim Filed By the Official Committee of Franchisees and Individual Franchisees Party Hereto (the "Franchisee Stipulation"). On the record at such hearing, counsel for the Debtors and the Franchisee Committee stated that additional franchisees of the Debtors could become Consenting Franchisees (as defined in the Franchisee Stipulation) at or prior to the

Confirmation Hearing. The Franchisee Stipulation was approved by the Bankruptcy Court on August [10], 1999.

F. On August 6, 1999, the Debtors filed with the Court the "Trust Agreement for LJS Plan Liquidating Trust" (as the form of such agreement may be amended or modified from time to time prior to the Effective Date or as such agreement may be modified in accordance with its terms after the Effective Date, the "Successor Agreement"). Belisle & Associates LLC (the "Trustee") is named as the trustee of the Successor Entity.

G. On August 16, 1999, the Debtors filed the Affidavit of Laura Campbell Certifying the Ballots Accepting Or Rejecting the Debtors' Amended Joint Plan of Reorganization Dated June 28, 1999 (the "Voting Report"), attesting to and certifying the method and results of the ballot tabulation for the Classes of Claims and Interests (Classes 1, 4, and 5) voting to accept or reject the Plan.

H. On August 16, 1999, the Debtors filed with the Court the material documents to be entered into in connection with the Financing Transactions (collectively, the "Financing Transaction Documents").

I. On July 29, 1999 and pursuant to Section 9.2 of the Plan, the Debtors filed and served on each party to an executory contract and unexpired lease to be assumed as of the Effective Date a notice of the proposed amount of the cure payment due and owing to such party on account of such contract or lease under section 365 of the Bankruptcy Code. The following parties to an executory contract and unexpired lease have filed an objection to the proposed amount of such cure payment:

1. Bennett Management Corporation;
2. Austin Texas Retail Inc.;

3. Kmart Corporation;
4. New Plan Realty Trust;
5. Robin Realty & Management Company;
6. Albert Ropfogel;
7. Escondido Mart Company
8. LBL, Ltd.;
9. The Klawsnik Living Trust;
10. Bank One Texas, N.A.;
11. First Street Limited Partnership;
12. Simon Property Group; and
13. US Fleet Leasing.

In addition, the Debtors have received notice from other parties that dispute the proposed amount of the cure payment due and owing to such party on account of such contract or lease under such section 365 of the Bankruptcy Code.

J. The Debtors received objections to confirmation (the "Objections") of the Plan from the following entities:

1. Angelina County, Bee County, Brown C.A.D., Brownsville I.S.D., Cameron County, Corsicana I.S.D., City of Del Rio, Ector County, Ellis County, City of El Paso, Erath County, Gray County, Gregg County, Harlingen C.I.S.D., City of Harlingen, Hidalgo County, Hood County, Kaufman County, Kingsville I.S.D., Kleberg County, Lamar C.A.D., McLennan County, Midland County, Nacogdoches County C.A.D., Navarro County, Navarro C.T.O., Nueces County, Parker County C.A.D., Round Rock I.S.D., San Felipe-Del Rio C.I.S.D., Smith County, City of Stephenville, Stephenville I.S.D., Tom Green C.A.D., Val Verde County and Victoria County

2. Travis County, Texas, Austin Independent School District, City of Austin, Austin Community College.
3. City of Clute, Deer Park Independent School District, Fort Bend County--State of Texas, Fort Bend Independent School District, Harris County--State of Texas, City of Houston, Houston Independent School District, Katy Independent School District, Matagorda County-State of Texas, Montgomery County-State of Texas, North Forest Independent School District and City of Pearland.
4. County of Anderson, City of Palestine, Palestine Independent School District, Tax Appraisal District of Bell County, County of Brazos, City of Bryan, City of College Station, College Station Independent School District, Bryan Independent School District, County of Comal, County of Denton, County of Erath, Longview Independent School District, County of Guadalupe, County of Harrison, Marshall Independent School District, County of Henderson, Kerrville Independent School District, City of Waco, Waco Independent School District, Midland Central Appraisal District, County of Taylor, City of Abilene, Abilene Independent School District, County of Victoria, County of Williamson, Williamson County Emergency Service District #1 and Williamson County RFM (such entities and the entities referred to in subparagraphs 1, 2 and 3 of this paragraph J collectively are referred to as the "Texas Tax Authorities").
 5. Simon Property Group, L.P.
 6. The Internal Revenue Service (the "IRS").
 7. New Mexico Taxation and Revenue Department ("New Mexico").
 - K. On August 16, 1999, the Debtors filed a memorandum of law (the "Confirmation Memorandum") in support of confirmation of the Plan.

L. On August 16, 1999, the Company (subject to the approval of this Court) and Yorkshire Global Restaurants, Inc. (the "Purchaser") entered into the "Amendment to Amended and Restated Stock Purchase Agreement" in substantially the form of Exhibit A hereto (the "Amendment"). On August 16, 1999, the Debtors' filed with the Court certain modifications to the Plan, as set forth in paragraph 39 below.

M. On August 15, 1999, the Debtors sent: (a) a letter in the form attached hereto as Exhibit B hereto to each holder of a Class 1 Claim and (b) a letter in the form attached hereto as Exhibit C hereto to each holder of a Class 5 Claim, in each case informing such holders of the modifications to the Plan and the Stock Purchase Agreement. Based on the record of the Confirmation Hearing, the Creditors' Committee has determined that such modifications do not materially or adversely affect the Distributions to be made to holders of Allowed Class 4 Claims.

N. The Confirmation Hearing was held on August 18, 1999 at 9:30 a.m.

NOW, THEREFORE, based upon the Court's review of the Confirmation Memorandum, Affidavit of Mailing, and the Voting Report previously filed with the Court and upon (i) all of the evidence proffered or adduced and arguments of counsel made at the Confirmation Hearing and (ii) the entire record of these chapter 11 cases (the "Chapter 11 Cases"), and after due deliberation thereon and good cause appearing therefor:

FINDINGS OF FACT AND CONCLUSIONS OF LAW¹

IT IS HEREBY FOUND AND DETERMINED THAT

1. Exclusive Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157, 1334(a), 1408 and 1409). This Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

2. Judicial Notice. This Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at, the hearings held before the Court during the pendency of the Chapter 11 Cases, including, without limitation, the hearing to consider the adequacy of the Disclosure Statement.

3. Burden of Proof. The Debtors, as proponents of the Plan, have the burden of proving the elements of section 1129(a) by a preponderance of the evidence.

4. Transmittal and Mailing of Materials, Notice. The Solicitation Packages were transmitted and served in compliance with the Disclosure Statement Order and the Bankruptcy Rules, and such transmittal and service were adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and the other dates and hearings described in the Disclosure Statement Order was given in compliance with the

¹ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 705.2.

Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required.

5. Plan Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). As set forth below, the Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification of Claims and Interests (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims, which need not be classified, the Plan designates seven Classes of Claims and Interests. The Claims or Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate among holders of Claims or Interests. Thus, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specification of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). The Plan specifies that Classes 2 and 3 are not impaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specification of Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article IV of the Plan designates Classes 1, 4, 5, 6 and 7 as impaired and specifies the treatment of Claims and Interests in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) Equal Treatment Within Classes (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in a particular Class unless the holder of a particular Claim or Interest in such Class has

agreed to a less favorable treatment of its Claim or interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

(f) Charter Provisions (11 U.S.C. § 1123(a)(6)). The respective Reorganized Certificate of Incorporation for each of the Reorganized Debtors, filed with the Court on June 28, 1999 as Exhibits D-1 and D-2, of the Plan, provides that any non-voting capital stock shall be issued in conformity of section 1123(a)(6) of the Bankruptcy Code, thereby satisfying section 1123(a)(6) of the Bankruptcy Code.

(g) Selection of Officers and Directors (11 U.S.C. § 1123(a)(7)). The Amended and Restated Certificate of Incorporation and the Amended and Restated By-Laws for each of the Reorganized Debtors provides that the board of directors of each Reorganized Debtor shall manage the business and affairs of the corporation and that the initial board of directors of each respective Reorganized Debtor will consist of one or more directors. The Amended and Restated By-Laws of each of the Reorganized Debtors provides that the board of directors shall elect the officers of each respective Reorganized Debtor, and that each Reorganized Debtor shall have a President, a Secretary, a Treasurer and such other officers or assistant officers as may from time to time be appointed by the board of directors. Because the Plan provides that, on the Effective Date, 100% of the issued and outstanding common stock of the Reorganized Company will be distributed to the Purchaser, and since the Purchaser will thereby acquire control of 100% of the common stock of each of the other Reorganized Debtors, the foregoing provisions of the Plan for the selection of directors and officers are

consistent with the interests of creditors and equity security holders and with public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

(h) Rule 3016(k) of the Bankruptcy Rules. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a).

6. Debtors' Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

(a) the Debtors are proper debtors under section 109 of the Bankruptcy Code and proper proponents of the Plan under section 1121(a) of the Bankruptcy Code;

(b) the Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court; and

(c) the Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement and the Disclosure Statement Order in transmitting the Solicitation Packages and in soliciting and tabulating votes on the Plan.

7. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the negotiation and execution of the Stock Purchase Agreement and the formulation of the Plan. The Chapter 11 Cases were filed, the Stock Purchase Agreement was negotiated, and the Plan was proposed with the legitimate and honest purposes of reorganizing the Debtors and expeditiously making distributions to the Debtors' creditors. Furthermore, the Plan is the

product of months of extensive, arms' length negotiations among the Debtors, the Prepetition Lenders, the Creditors' Committee, the Purchaser and their respective counsel and financial advisors. The Plan reflects the results of these negotiations and is reflective of the interests of all of the estates' constituencies.

8. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Except as otherwise provided or permitted by the Plan, or certain orders of the Court, any payment made or to be made by the Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

9. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The Amended and Restated Certificate of Incorporation and the Amended and Restated By-Laws for each Reorganized Debtor provide that each Reorganized Debtor shall have a board of directors consisting of one (or in the case of QSC and LJS, one or more) members. The names and affiliations of each proposed officer and director of each of the Reorganized Debtors were disclosed to this Court in writing at or before the Confirmation Hearing. In addition, the name and affiliations of the Trustee of the Successor Entity were disclosed to this Court in writing at or before the Confirmation Hearing. The appointment to, or continuation in, such office of each of the proposed directors and officers of the Reorganized Debtors and the appointment of the Trustee under the Successor Agreement are consistent with the interests of creditors, equity security holders, and with public policy, thereby satisfying section 1129(a)(5) of the Bankruptcy Code.

10 No Rate Changes (11 U.S.C. § 1129(a)(6)). The Debtors' prices are not subject to governmental regulation. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in these Chapter 11 Cases.

11. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis contained in Exhibit C to the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing, including the testimony of Kevin Lavin of PriceWaterhouseCoopers, I.L.C. ("PWC"), the Debtors' financial advisor, (i) are persuasive and credible, (ii) have not been controverted by other evidence or challenged, and (iii) establish that each holder of a Claim or Interest in an Impaired Class either (x) has accepted the Plan or (y) will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that it would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

12. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Each Class of Claims or Interests (other than Classes 6 and 7) either is not Impaired under the Plan or has duly accepted the Plan in accordance with section 1126 of the Bankruptcy Code. With respect to Classes 6 and 7, the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code and thus may be confirmed without compliance with section 1129(a)(8) because the Plan does not discriminate unfairly against, and is fair and equitable with respect to, such Classes, each within the meaning of section 1129(b) of the Bankruptcy Code. The requisite holders (in number and dollar amount) of Allowed Class 1 Claims and Allowed Class 5 Claims have consented to the modifications to the Plan

and the Stock Purchase Agreement, and the requirements of section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 have been satisfied.

13. Treatment of Priority Claims (11 U.S.C. § 1129(a)(9)). The Plan's treatment of Allowed Administrative Claims, Allowed Priority Claims and Allowed Priority Tax Claims satisfies the requirements of sections 1129(a)(9)(A), (B) and (C) of the Bankruptcy Code, respectively. The Plan provides for the payment in full, in cash, on the later of the Effective Date or the date that is 10 Business Days after the date an order of the Bankruptcy Court is entered allowing such Administrative Claim, Priority Claim or Priority Tax Claim (other than a Federal Administrative/Priority Tax Claim) becomes a Final Order, of Allowed Administrative Claims, Allowed Priority Claims and Allowed Priority Tax Claims (other than Federal Administrative/Priority Tax Claims). The Plan provides that each holder of an Allowed Federal Administrative/Priority Tax Claim shall receive at the option of the Reorganized Debtors either (i) Cash equal to the amount of such Federal Administrative/Priority Tax Claim upon the later of (X) the Effective Date and (Y) the date that is 10 Business Days after the date an order of the Bankruptcy Court allowing such Federal Administrative/Priority Tax Claim becomes a Final Order, or (ii) equal semiannual Cash payments in arrears over a period not exceeding six (6) years from the date of assessment of such Claim, with simple interest at the deficiency rate as determined on the Effective Date under Section 6621(e) of the Tax Code or such other rates as may be fixed by Final Order of the Bankruptcy Court, until such claim is paid in full.

14. Acceptance of at Least One Impaired Class (11 U.S.C. § 1129(a)(10)). As set forth in the Voting Report, all of the impaired Classes of Claims voting under the Plan (i.e., Classes 1, 4, and 5) have voted to accept the Plan and, to the

Debtors' knowledge, they have accepted the Plan in requisite numbers and amounts without the need to include any acceptance of the Plan by any insider.

15. Feasibility (11 U.S.C. § 1129(a)(1)). The Plan satisfies section 1129(a)(1) of the Bankruptcy Code because confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. The Plan is based on the Stock Purchase Agreement whereby the Purchaser, an experienced operator of quick service restaurants with demonstrated financial wherewithal, is to acquire 100% of the common stock of the Reorganized Company. The Plan presents a workable scheme of reorganization and there is a reasonable probability that the provisions of the Plan will be performed. The Plan is found and determined to be feasible.

16. Payment of Certain Fees (11 U.S.C. § 1129(a)(12)). All fees payable on or before the Effective Date under 28 U.S.C. § 1930 either have been paid or will be paid on the Effective Date pursuant to Section 3.1(e) of the Plan. In addition, Section 3.1(c) of the Plan provides that all such fees payable after the Effective Date shall be paid by the Successor Entity. Accordingly, the Plan satisfies section 1129(a)(12) of the Bankruptcy Code.

17. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Pursuant to Section 7.14 of the Plan, the Reorganizational Debtors shall continue each Assumed Plan and, to the extent any Assumed Plan includes distinct executory contracts with individual employees, assume such contracts subject to the same rights as the Debtors or Reorganized Debtors held or hold prior to, on or after the Petition Date to modify and/or terminate such Assumed Plans under applicable non-bankruptcy law. Thus, the Plan satisfies section 1129(a)(13) of the Bankruptcy Code.

18. Modifications to Plan. The modifications to the Plan set forth in paragraph 39 hereof, do not materially or adversely affect or change the treatment of any Claim or Interest, except with respect to any holder of a Class 1 Claim that has agreed to such modification in writing pursuant to Bankruptcy Rule 3019. Accordingly, pursuant to Rule 3019 of the Bankruptcy Rules, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or the resolicitation of acceptances or rejections under section 1126 of the Bankruptcy Code (except as have been obtained in writing), nor do they require that holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan as filed with the Bankruptcy Court.

19. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based upon the record before the Court, the Debtors and their agents, counsel and financial advisors have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpatory and injunctive provisions set forth in Article XII of the Plan.

20. No Objections to Assumed Contracts and Leases. Notwithstanding the objections to the cure payments described in paragraph I above, no non-Debtor party to any of the contracts, unexpired leases and employment agreements assumed pursuant to Article IX of the Plan (collectively, the "Assumed Contracts and Leases") has objected to its assumption. Pursuant to the terms of the Franchisee Stipulation, Consenting Franchisees (as defined in the Franchisee Stipulation) have, *inter alia*, consented to the assumption of the Franchise Agreements and other Assumed Contracts (each as defined in the Franchisee Stipulation). Upon the entry of this Order, (a) the franchisees of LJS

listed on Exhibit D hereto shall have become Consenting Franchisees under the Franchisee Stipulation and (b) Schedule IV to the Franchisee Stipulation (i.e., the schedule of Consenting Lenders) shall be amended in its entirety by the Schedule attached as Exhibit E hereto. LJS is authorized, as of the Effective Date, to: (w) assume the lease agreement, dated as of June 4, 1976 (as amended from time to time), with IPF/Washington, L.P. and assign such agreement to BR Associates, Inc.; (x) assume the lease agreement, dated as of March 26, 1987 (as amended from time to time) with Glimcher Properties Limited Partnership and assign such agreement to Radcliff Co., Inc. and (y) assume the lease agreement dated as of September 6, 1983 with FAJ Village Market Orange, Limited Partnership and assign such agreement to Syod and Ramin Rahael, and LJSR is authorized, as of the Effective Date, to assume the lease agreements, dated of March 12, 1976 (as amended from time to time) with Skyline Enterprises and assign such agreements to BR Associates, Inc.; provided, that the assumption and assignment of each of the foregoing agreements are conditioned ^{UPON} (i) the consent of the non-Debtor party thereto to the assignment to the applicable assignee and (ii) the acceptance by the applicable assignee of the terms of such assignment, in each case on or before the Effective Date.

21. Substantive Consolidation of Debtors is in the Best Interests of the Debtors' Estates. Creditors of the Debtors dealt with the Debtors as a single economic unit and did not rely on the separate identities of the Debtors in extending credit thereto. The Debtors have common management, employees, books, records and businesses, share a cash management system and are subject to common ownership and enterprise control. The substantive consolidation of the Debtors' estates pursuant to Section 7.11 of the Plan is in the best interests of the Debtors, their estates, their creditors and other