

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re

**NPC INTERNATIONAL, INC.,
et al.,
Debtors.¹**

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**Chapter 11
Case No. 20-33353 (DRJ)
(Jointly Administered)**

**DECLARATION OF ERIC KOZA IN SUPPORT OF DEBTORS’ MOTION PURSUANT
TO SECTION 105(a), 362, and 365 OF THE BANKRUPTCY CODE TO
ENFORCE THE AUTOMATIC STAY AND COMPEL PERFORMANCE
OF MCLANE’S OBLIGATIONS UNDER AN EXECUTORY CONTRACT**

I, Eric Koza, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer (“**CRO**”) of NPC International, Inc. (“**NPC**”) and its direct and indirect subsidiaries and affiliates that are debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**” or the “**Company**”). I have served as the Company’s CRO since January 2020. Prior to becoming the CRO of the Company, I advised the Company in my capacity as Managing Director at AlixPartners LLP (together with its affiliate AP Services, LLC, “**AlixPartners**”) beginning in December 2019.

2. The Debtors commenced a voluntary case under Chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”) on July 1, 2020 (the “**Petition Date**”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are NPC International, Inc. (7298); NPC Restaurant Holdings I LLC (0595); NPC Restaurant Holdings II LLC (0595); NPC Holdings, Inc. (6451); NPC International Holdings, LLC; (8234); NPC Restaurant Holdings, LLC (9045); NPC Operating Company B, Inc. (6498); and NPC Quality Burgers, Inc. (6457). The Debtors’ corporate headquarters and service address is 4200 W. 115th Street, Suite 200, Leawood, KS 66211.

3. The Debtors are the largest franchisee company in the United States, with over 1,600 franchised restaurants across two brands—Wendy’s and Pizza Hut—spanning 30 states and the District of Columbia. The Company has approximately 7,500 full time employees and approximately 28,500 part-time employees across both brands.

4. Specifically, as to Pizza Hut, the Debtors operate 1,227 Pizza Hut units in twenty-seven states, with significant presence in the Midwest, South, and Southeast in both large metro areas and “small towns.” The Debtors’ Pizza Hut business employs approximately 24,000 employees.

5. All Pizza Hut product ingredients are prepared in accordance with proprietary formulas established by the Pizza Hut franchisor. In addition, NPC Pizza Hut restaurants utilize an approved purchasing and distribution network as required by the Pizza Hut franchisor.

6. The Company purchases substantially all food products required in the operation of the Pizza Hut restaurants from McLane, and substantially all the supply chain and negotiation activities are provided by Restaurant Supply Chain Solutions, LLC (“RSCS”), a cooperative set up to act as the central procurement service for the Pizza Hut franchisor, which works in coordination with McLane.

7. The predictable flow of ingredients and food products from McLane is critical to the Debtors’ Pizza Hut operations. Without delivery of ingredients and food products, the Debtors’ Pizza Hut restaurants would be unable to operate.

8. McLane and RSCS are parties to the Master Distribution Agreement dated January 1, 2016 (the “MDA,” a copy of which is attached hereto as “**Exhibit 1**”). The MDA governs the agreement between RSCS and McLane regarding McLane’s distribution of food

products, supplies, packaging, beverages, and other products to Pizza Hut retail locations, among other brands.

9. McLane and NPC are parties to the Participant Distribution Joinder Agreement dated August 30, 2016 (the “**Joinder Agreement**,” a copy of which is attached hereto as “**Exhibit 2**” and together with the MDA, the “**Agreements**”).

10. The payment terms agreed to between McLane and NPC are set forth on Schedule E-3 to the MDA, attached hereto as “**Exhibit 3**” (“**Schedule E-3**”). Specifically, Schedule E-3 sets forth [REDACTED]

[REDACTED].
Schedule E-3 also sets forth [REDACTED].
[REDACTED].

11. To date, NPC has elected to pay McLane under [REDACTED] terms, which entitles NPC to [REDACTED]. Nothing in the “Payment Terms,” however, requires NPC to take advantage of the [REDACTED].

12. The Payment Terms set forth in Schedule E-3 are subject to NPC’s compliance with McLane’s credit policies, as set forth in Schedule K to the MDA (the “**Credit Policies**,” a copy of which is attached hereto as “**Exhibit 4**”).

13. Throughout the term of the Agreements, NPC has remained in compliance with McLane’s Credit Policies to the best of our knowledge and belief. Outside of the routine annual request for updated financial information from NPC, McLane has never initiated a formal credit investigation to the Debtors’ knowledge, and has never proffered any evidence of credit analysis that would support interfering of the Debtors’ right to elect [REDACTED] terms under the Agreements.

14. On July 1, 2020, one day after the Petition Date, McLane unilaterally imposed tightened payment terms on the Debtors. In an email sent from McLane to NPC on July 1, 2020, McLane advised that the “normal protocol with bankruptcies” is for McLane “to inactivate the stores immediately, and require prepayment via wire transfer to continue post-petition deliveries.” *See* July 1, 2020 email from T. DiFonzo to R. Siebert, attached hereto as “**Exhibit 5.**” McLane’s unreasonable demand for NPC to make same day wire payments on the day products are delivered was a deviation from the [REDACTED]. Not only is same day payment unnecessarily burdensome on the Debtors, but it requires the Debtors to forgo their ordinary invoice review and processing method that allows NPC to verify the accuracy of McLane’s invoices. McLane continued to insist on same day wire payment for days after the Petition Date, advising NPC that “[McLane] will reactivate the stores contingent on your acceptance . . . that NPC’s payment method will no longer be ACH, but will be wire transfer, and the wire transfer must be received on the day of delivery.” *See* July 1, 2020 email from T. DiFonzo to D. Wahlert, attached hereto as “**Exhibit 6.**” After considerable correspondence and discussion between McLane and NPC, NPC returned to the ACH payment method on July 10, 2020.

15. Also following the Petition Date, McLane required each of the Debtors’ individual Pizza Hut locations to alter their existing ordering accounts to “debtor in possession” accounts. *See* July 6, 2020 email from T. DiFonzo to D. Wahlert, et al., attached hereto as “**Exhibit 7.**” This required McLane to close the accounts for each location and initiate new accounts, a process that caused operational disruptions and confusion for the Debtors’ Pizza Hut

restaurants and NPC's back-office shared services personnel. *See, i.e.*, July 9, 2020 email chain, attached hereto as "**Exhibit 8.**"

16. The Debtors complied with McLane's unreasonable payment demands to ensure the Debtors' Pizza Hut locations would remain operational and able to serve their customers. The Debtors, along with their advisors, however, have determined that it is in the best interest of the Debtors' estates and the best use of the Debtors' capital to exercise their contractual right to [REDACTED] terms as provided for in Schedule E-3 of the MDA.

17. On July 20, the Debtors sent McLane a letter advising McLane of the Debtors' intent to pay on [REDACTED] terms as provided under the Agreements and no longer utilize the [REDACTED] (the "**Debtors' July 20 Letter,**" a copy which has been attached hereto as "**Exhibit 9.**"). The Debtors further assured McLane of the Debtors' intent to perform pursuant to the payment terms in the Agreements and make payment in full before the [REDACTED] following delivery of goods by McLane. Indeed, the Debtors obtained approval for the consensual use of cash collateral to fund general working capital needs throughout the Chapter 11 Cases, including payments to McLane.

18. In response to the Debtors' July 20 Letter, McLane indicated that it would dispute the Debtors' right to [REDACTED] terms because, in McLane's view, the MDA entitles McLane to determine credit terms and McLane believes the Debtors' estates are administratively insolvent. McLane reserved the right to delay or suspend shipment under the contracts. Following these initial exchanges, the parties engaged in discussions to come to an agreement on payment terms, but were unable to reach a resolution.

19. In late 2019 McLane similarly denied NPC's attempt to exercise its contractual right to [REDACTED] and, instead, made onerous demands on NPC and

threatened to stop shipments to NPC's Pizza Hut locations. A copy of McLane's December 24, 2019 letter is attached hereto as "**Exhibit 10**"). To prevent irreparable harm to NPC's businesses and avoid costly litigation, NPC chose to continue paying McLane on [REDACTED] terms while reserving all rights regarding McLane's failure to comply with the agreed payment terms set forth in the Agreements.

20. McLane's refusal to deliver food products to the Debtors' Pizza Hut locations would render the Pizza Hut restaurants unable to operate, forcing closure of the businesses and loss of employment for the Debtors' over 24,000 Pizza Hut employees.

21. During these Chapter 11 Cases, the amounts owed to McLane for products delivered postpetition will be treated as administrative claims subject to priority and the Debtors' liquidity projections show that the Debtors are able to pay McLane for the products on a [REDACTED] day basis during these cases.

22. The ability of the Debtors to successfully reorganize depends on the ability to maintain adequate liquidity through the Chapter 11 Cases. The Debtors' current liquidity forecasts are based, in part, on the assumption that the Debtors will be able to continue on reasonable terms with all of their vendors and exercise their contractual rights, such as the extended payment terms under the Agreements, to maintain adequate levels of capital. Adequate liquidity is even more important due to the ongoing uncertainty surrounding the Debtors' business and the ongoing impacts of the COVID-19 pandemic. Therefore, at this time, the Debtors believe it is the best interest of the Debtors' estates and most reasonable use of their capital to exercise their contractual right to [REDACTED] terms and forego the [REDACTED] [REDACTED] provided under the Agreements.

I declare under penalty of perjury that, after reasonable inquiry, the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 3rd day of August, 2020.

/s/ Eric Koza

Eric Koza
Chief Restructuring Officer
NPC International Inc., and its debtor
affiliates

Exhibit 1

MDA

This exhibit has been fully omitted due to confidentiality and will be filed under seal.

Exhibit 2

Joinder Agreement

This exhibit has been fully omitted due to confidentiality and will be filed under seal.

Exhibit 3

Schedule E-3 to the MDA

This exhibit has been fully omitted due to confidentiality and will be filed under seal.

Exhibit 4

Schedule K to the MDA - Credit Policies

This exhibit has been fully omitted due to confidentiality and will be filed under seal.

Exhibit 5

July 1, 2020 email from T. DiFonzo to R. Siebert

From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>

Sent: Wednesday, July 1, 2020, 9:29 AM

To: Renee Siebert <renee.siebert@npcinternational.com>

Cc: Alexandra Ciobanas <Alexandra.Ciobanas@mcclanefs.com>

Subject: URGENT: NPC Payment Due McLane Today and Possible Service Interruption

Renee, as discussed, I have communicated with our outside counsel regarding McLane's normal protocol with bankruptcies. As stated, we inactivate the stores immediately, and require prepayment via wire transfer to continue post-petition deliveries. According to our counsel, NPC should be allowed to make payments for post-petition deliveries. That said, once you receive the green light from your counsel to pay McLane, I've listed the amounts that need to be paid today.

Wed- 07/01 [REDACTED] (actual amount)

Thur-07/02 [REDACTED] (Estimate)

Tomorrow at 3PM, when the court approves critical vendor status for McLane, NPC will be able to pay us [REDACTED] prepetition balance, then we can resume back to your pre-filing terms of [REDACTED].

Below are our wire transfer instructions (be aware, these are different than our ACH instructions that your team normally uses)

TO: McLane Foodservice, Inc.

ABA: [REDACTED]

ACCT: [REDACTED]
[REDACTED]

Lastly, as time is of the essence here, I wanted to ensure NPC is able to continue receiving deliveries without interruption.

Please call me with any questions/comments.

Regards,

Tom DiFonzo

Director - Credit/Collection

[REDACTED] (cell)

Exhibit 6

July 1, 2020 email from T. DiFonzo to D. Wahlert

From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>

Sent: Wednesday, July 1, 2020 3:07 PM

To: David Wahlert <david.wahlert@npcinternational.com>

Cc: Braley, Charles <cbraley@alixpartners.com>; McGlynn, Jim <jmcglynn@alixpartners.com>;
Edwards, Jonathan <Jonathan.Edwards@alston.com>

Subject: NPC - McLane

Dave, after discussions with our executive senior team, we will reactivate the stores contingent upon your acceptance (via your reply to this email) that NPC's payment method will no longer be ACH, but will be wire transfer, and the wire transfer must be received on the day of delivery (not the next business as has been the case). This will be more in-line with your [REDACTED]. This approval is for only Thursday's deliveries, as we have more discussions prior to releasing Fridays and beyond orders.

Please respond to this email so I can release our trucks ASAP.

Kind Regards,
Tom DiFonzo

Exhibit 7

July 6, 2020 email from T. DiFonzo to D. Wahlert, et al.

From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>

Sent: Monday, July 6, 2020, 11:19 AM

To: David Wahlert <david.wahlert@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Alexandra Giobanas <Alexandra.Giobanas@mcclanefs.com>

Cc: Braley, Charles <cbraley@alixpartners.com>; McGlynn, Jim <jmcglynn@alixpartners.com>

Subject: RE: NPC Payment Due McLane Today 7/6/2020

Thanks - Dave. I completely understand. See below.

- Alex will provide a statement this morning which will reflect NPC's deliveries from Sat-07/04 thru today, Mon-07/06; this will include a few deliveries from Fri-07/03 (that did not book until later that day). So, your team will have a detailed listing via email, which will total about [REDACTED].
- If agreed to, each morning about 10:30AM, we can provide a detailed statement, that is actual, for your review to be paid later in the day via wire transfer.

With regards to setting up the new DIP accounts: Once our Account Setup Team completes the setup of the new DIP accounts, I will advise you, then we can activate the new accounts and deactivate the old ones, all at one time, as we discussed last week. As of this morning, we are still setting up the new accounts.

Let me know if you have any further questions.

Thanks!

Tom

Exhibit 8

July 9, 2020 email chain

From: [Karl Dixon](#)
To: [Alexandra Ciobanas](#); [Renee Siebert](#); [David Wahlert](#); [Kelli Palumbo](#); [Adam Van Horn](#)
Cc: [Mike Woods](#); [Tom DiFonzo](#); [Kaycie Brown](#); [Brandi Garbrick](#)
Subject: RE: #14478 NPC & #105662 NPC (DIP) - Statement as of 7/9/2020 - Total Amount Due Today 7/9/20 [REDACTED]
Date: Thursday, July 9, 2020 5:34:51 PM
Attachments: [image007.png](#)
[image008.png](#)

Alexandra,

There are a few moving pieces here.

1. We're still missing some invoices that we'll be sending you a list to re-send. Once they come through, we'll remit them.
2. We're accommodating for the discount, that we've paid because the wire amounts were gross.
3. We're paying some invoices that we've received today that weren't included in your figure.
4. We'll be sending you a consolidated list of all invoices we've processed/paid that make up the total of everything we've wired up to today.
5. Tomorrow, we'll go back to "normal" and ACH.

Thanks,

Karl Dixon | Director Operations Accounting
720 W. 20th St. | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1107
61515_EmailSignatureFA[2]

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From: Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>
Sent: Thursday, July 09, 2020 4:27 PM
To: Renee Siebert <renee.siebert@npcinternational.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Subject: RE: #14478 NPC & #105662 NPC (DIP) - Statement as of 7/9/2020 - Total Amount Due Today 7/9/20 [REDACTED]

Received the wire in the amount of [REDACTED]:



There's a difference of [REDACTED] between the amount requested and received. Would you be able to advise which invoice was excluded? We want to ensure that we apply the payment properly.

Thank you,
Alexandra

Alexandra Ciobanas | Account Manager - Credit | McLane Foodservice, Inc. | 2085 Midway Road | Carrollton, TX 75006 | (972) 364-2848 | alexandra.ciobanas@mclanefs.com

From: Alexandra Ciobanas
Sent: Thursday, July 09, 2020 10:59 AM
To: Renee Siebert <renee.siebert@npcinternational.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Subject: RE: #14478 NPC & #105662 NPC (DIP) - Statement as of 7/9/2020 - Total Amount Due Today 7/9/20 [REDACTED]

I apologize, as it looks like the data did not sort properly. Please see attached revised spreadsheet. The correct amount due today is [REDACTED]. This does not include the discount.

Thank you,
Alexandra

Alexandra Ciobanas | Account Manager - Credit | McLane Foodservice, Inc. | 2085 Midway Road | Carrollton, TX 75006 | (972) 364-2848 | alexandra.ciobanas@mcclanefs.com

From: Alexandra Ciobanas
Sent: Thursday, July 09, 2020 10:43 AM
To: Renee Siebert <renee.siebert@npcinternational.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Subject: #14478 NPC & #105662 NPC (DIP) - Statement as of 7/9/2020 - Total Amount Due Today 7/9/20 [REDACTED]

Good Morning,

Attached is an updated statement. The amount due today is [REDACTED].

Thank you,
Alexandra

Alexandra Ciobanas | Account Manager - Credit | McLane Foodservice, Inc. | 2085 Midway Road | Carrollton, TX 75006 | (972) 364-2848 | alexandra.ciobanas@mcclanefs.com

From: Alexandra Ciobanas
Sent: Wednesday, July 08, 2020 10:53 PM
To: Renee Siebert <renee.siebert@npcinternational.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Subject: RE: Vendor Impact

Thank you, Renee! Received the wire.

Yes - I'll send an updated statement tomorrow morning and advise the amount due.

Kind Regards,
Alexandra

Alexandra Ciobanas | Account Manager - Credit | McLane Foodservice, Inc. | 2085 Midway Road | Carrollton, TX 75006 | (972) 364-2848 | alexandra.ciobanas@mcclanefs.com

From: Renee Siebert [<mailto:renee.siebert@npcinternational.com>]
Sent: Wednesday, July 08, 2020 5:14 PM
To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mcclanefs.com>
Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Hi Alexandra...

Here is the Fed Ref information for today's funding.

If you would, please send a file tomorrow, with what you expect for payment, as we'll use that to assist with reconciling our system, and ensuring all files are coming through.



Thanks!

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1161



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From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Sent: Wednesday, July 8, 2020 4:39 PM
To: David Wahlert <david.wahlert@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mcclanefs.com>
Subject: RE: Vendor Impact

Thanks much, Dave. I will let you know, but it is planned for 8AM CT.

Thanks!
Tom

From: David Wahlert [<mailto:david.wahlert@npcinternational.com>]
Sent: Wednesday, July 08, 2020 4:37 PM
To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; Renee Siebert <renee.siebert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mcclanefs.com>
Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Tom,
We've spoken internally and we are ready to move our remaining stores to the new account numbers tomorrow morning.

Thanks and pls advise tomorrow when this is completed.

Best,
djw

From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Sent: Wednesday, July 8, 2020 3:59 PM
To: David Wahlert <david.wahlert@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Kelli Palumbo

<kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>

Subject: RE: Vendor Impact

Dave, sounds good. So, you know, behind the scenes, when/(if) we flip the switch at 8AM tomorrow, and the new accounts become active, our IT team will immediately make the required changes in our system to allow NPC to continue ordering without any issues.

Let me know as soon as you can.

Much Thanks!
Tom

From: David Wahlert [mailto:david.wahlert@npcinternational.com]

Sent: Wednesday, July 08, 2020 3:48 PM

To: Renee Siebert <renee.siebert@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>

Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Tom,

Thanks for your responses. Let me confer w/ Renee and team before we make a decision. I want to understand their views on question #3 below.

From: Renee Siebert <renee.siebert@npcinternational.com>

Sent: Wednesday, July 8, 2020 3:34 PM

To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>

Subject: RE: Vendor Impact

Thank you!!

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1161



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From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>

Sent: Wednesday, July 8, 2020 3:33 PM

To: Renee Siebert <renee.siebert@npcinternational.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>

Subject: RE: Vendor Impact

Renee, Yes. S/L told me they will be able to send these after the new DIP accounts are activated tomorrow morning. I will ask S/L to confirm when this is completed, and I will let you know tomorrow.

Tom

From: Renee Siebert [<mailto:renee.siebert@npcinternational.com>]
Sent: Wednesday, July 08, 2020 3:09 PM
To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>
Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Hi Tom,

Can you please confirm that the invoices billed thus far under the new DIP accounts will be caught up starting with tomorrow's EDI file?
Or, if there is someone else I can speak with, feel free to re-direct me.

Thanks...

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1161



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From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>
Sent: Wednesday, July 8, 2020 2:12 PM
To: David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>
Subject: RE: Vendor Impact

Dave, I just completed my conference call with IT, SourceLink and our Accounting Systems folks, and per their expertise I've answered your questions **below**:

We agreed that activating the new accounts & inactivating the old accounts at 8AM tomorrow morning was best. The IT team will be able to ensure there is no gap for your team placing orders.

I'll call you within the next hour to review and re-confirm you are good with making the switch tomorrow morning.

Much Thanks!
Tom

From: Tom DiFonzo
Sent: Wednesday, July 08, 2020 11:19 AM
To: David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mclanefs.com>
Subject: RE: Vendor Impact

Dave, thanks for responding and yes, I understand what you are asking and I'm already reviewing these areas. I was about to let you know that we may want to delay activating the new accounts, but, I'm gathering more information first. I'll get back with you soon.

Regards,
Tom

From: David Wahlert [<mailto:david.wahlert@npcinternational.com>]

Sent: Wednesday, July 08, 2020 11:03 AM

To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Alexandra Ciobanas <Alexandra.Ciobanas@mcclanefs.com>

Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Tom,

What I'd ask you (or others at McLane possibly) to do is ensure Renee/Kelli/Adam/Mike/Karl (on this email exchange) have a clear understanding of the following before we activate the new account numbers...

1. Understand which accounts (old vs. new vs. both) stores will see when placing orders **Per our IT folks, they will setup an either/or scenario; so, the person making the order will be able to place the order to which ever account is active**
2. Understand handling by McLane of orders already placed under old accounts (i.e. are they effectively cancelled?) **No, they will not be cancelled; once an order has been placed under the old account, it will be invoiced & transmitted accordingly**; and how those orders will then be billed my McLane in the EDI exchange (i.e which account number will it be billed under?) **Any orders under the old accounts will receive EDI under the old account (as normal); any orders under the new account #'s will receive EDI under the new accounts and this should continue to be timely (I'm being told no lag time)**
3. Understand when we will have the new accounts (for those already converted) available in the EDI exchange. now, Renee and team are flying partially blind. And for those same new accounts, our operators are not yet able to receive, systemically speaking, the inventory into their store inventory system. Renee may be following up on this one further in a few minutes. **These will be transmitted after all the accounts are activated tomorrow, as well as all future orders under the new account #'s**

And Renee and the team copied above may have more items to discuss. But before we convert the account numbers and create more of a train wreck and disruption for our stores, I'd implore you to discuss the above and anything else w/ Renee and team.

Thanks,
djw

From: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>

Sent: Wednesday, July 8, 2020 10:13 AM

To: Kelli Palumbo <kelli.palumbo@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: David Wahlert <david.wahlert@npcinternational.com>; Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>

Subject: RE: Vendor Impact

Kelli, yes - please use the old account numbers. Thursday morning, we will activate the new account numbers and inactivate the old ones, then you'll be free to use the new ones.

Tom

From: Kelli Palumbo [<mailto:kelli.palumbo@npcinternational.com>]

Sent: Wednesday, July 08, 2020 9:55 AM

To: Renee Siebert <renee.siebert@npcinternational.com>; Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>

Cc: David Wahlert <david.wahlert@npcinternational.com>; Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>

Subject: RE: Vendor Impact

**** STOP. THINK. External Email ****

Another question we are receiving from stores is in regards to placing orders...should they place orders under their old account number if their new account number is not currently working? These are stores with orders due by 4 pm today...

From: Renee Siebert <renee.siebert@npcinternational.com>

Sent: Tuesday, July 7, 2020 3:23 PM

To: Tom DiFonzo <Tom.DiFonzo@McLaneFS.com>; Adam Van Horn <adam.vanhorn@npcinternational.com>
Cc: David Wahlert <david.wahlert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>; Karl Dixon <karl.dixon@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>
Subject: FW: Vendor Impact
Importance: High

Hey Tom...

We've received three communications today from our units, indicating they are unable to receive their McLane trucks for this fiscal week end inventory procedures. I'm guessing this is a result of your team cutting some of our locations over to the new DIP account? I've reviewed the files sent by Alex, and these three units were billed under the new account. Is there something that needs to be done on your side to allow our stores to "receive" their orders? If so, how quickly can it be fixed for our units?

@Adam Van Horn you might start hearing more about this from your team, especially if the team will begin receiving their McLane orders today in preparation for their WE inventory activities. Looks to be roughly 209 units impacted. If McLane is unable to resolve the issue, your units will have to manually enter the inventory received.

Thanks!

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231 3390 ext. 1161



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From: Kelli Palumbo <kelli.palumbo@npcinternational.com>
Sent: Tuesday, July 7, 2020 3:01 PM
To: Renee Siebert <renee.siebert@npcinternational.com>; Karl Dixon <karl.dixon@npcinternational.com>
Subject: RE: Vendor Impact

I've attached them here...and we've received one more that I've also included. My fear is that these issues will continue to multiply over the remainder of the day as many stores wait until Tuesday evening to download/input their inventory invoices for the week.

Let me know what I can do to help facilitate...just wasn't sure what direction to go first.

From: Renee Siebert <renee.siebert@npcinternational.com>
Sent: Tuesday, July 7, 2020 2:54 PM
To: Karl Dixon <karl.dixon@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>
Subject: RE: Vendor Impact

Kelli...

Can you send over the emails that you received?

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231 3390 ext. 1161



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From: Karl Dixon <karl.dixon@npcinternational.com>
Sent: Tuesday, July 7, 2020 11:21 AM
To: Kelli Palumbo <kelli.palumbo@npcinternational.com>

Cc: Renee Siebert <renee.siebert@npcinternational.com>

Subject: RE: Vendor Impact

Not really. McLane never has responded as to the new account not sending us EDI invoices.

Renee – do you need to ping Tom? Should we go ahead and have our I.T. folks see what they can see?

Karl Dixon | Director Operations Accounting
720 W. 20th St. | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1107
61515_EmailSignatureFA[2]

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From: Kelli Palumbo <kelli.palumbo@npcinternational.com>

Sent: Tuesday, July 07, 2020 11:19 AM

To: Karl Dixon <karl.dixon@npcinternational.com>

Subject: RE: Vendor Impact

This may be causing kinks in Source Link when the stores are attempting to download their invoices...we've had 2 stores reach out this morning with problems (see attached). Has there been any further discussion beyond the below?

From: Karl Dixon <karl.dixon@npcinternational.com>

Sent: Thursday, July 2, 2020 9:12 PM

To: Kim Simpson <kim.simpson@npcinternational.com>; Kaycie Brown <kaycie.brown@npcinternational.com>; Renee Siebert <renee.siebert@npcinternational.com>; Kelli Palumbo <kelli.palumbo@npcinternational.com>

Subject: Re: Vendor Impact

I believe it will wreck our process until we set up the new numbers so our system can cross reference to ours.

Kelli?

Get [Outlook for Android](#)

From: Renee Siebert <renee.siebert@npcinternational.com>

Sent: Thursday, July 2, 2020 8:37:03 PM

To: Karl Dixon <karl.dixon@npcinternational.com>; Kim Simpson <kim.simpson@npcinternational.com>; Kaycie Brown <kaycie.brown@npcinternational.com>

Subject: FW: Vendor Impact

Hey there...

Please see below, does the change in account for our locations have any bearing on our processes?

Thanks!

Renee Siebert | Sr. Vice President-Operations Accounting
720 W. 20th Street | Pittsburg, KS | 66762
Direct: 620.231.3390 ext. 1161



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From: David Wahlert <david.wahlert@npcinternational.com>

Sent: Thursday, July 2, 2020 7:06 PM

To: Renee Siebert <renee.siebert@npcinternational.com>; Mike Woods <mike.woods@npcinternational.com>; Jason Poenitske <jason.poenitske@npcinternational.com>

Cc: Adam Van Horn <adam.vanhorn@npcinternational.com>

Subject: FW: Vendor Impact

Importance: High

Renee/Mike,

I'm going to discuss w/ McLane tomorrow, but it appears (unbeknownst to me/us) that they did in fact reactivate with new account numbers. We should discuss tomorrow the implications of this on the stores as well as your team Renee.

From: Steve Holm <steve.holm@npcinternational.com>

Sent: Thursday, July 2, 2020 5:55 PM

To: David Wahlert <david.wahlert@npcinternational.com>

Subject: Vendor Impact

Importance: High

Dave,

The store accounts that were deactivated were apparently reactivated with new account numbers. This email came around 40 minutes before it was too late to fix. Since these are all new accounts there aren't any orders to duplicate. There is a possibility some of these stores won't receive their next order. This could be happening in other regions as well.

Thanks,

Steve

Steve Holm | District Manager – Nampa, Meridian & Kuna

251 Ave D | Kuna, Idaho 83634

Mobile: 208.340.9571

FTF Signature



From: MFS Portland Customer Service <MFS_POR_CS@mclanefs.com>

Sent: Thursday, July 2, 2020 4:18 PM

To: Store2151 <store2151@npcinternational.com>; Store1963 <store1963@npcinternational.com>; Store2200 <store2200@npcinternational.com>; Store2168 <store2168@npcinternational.com>; Store2148 <store2148@npcinternational.com>; Store2143 <store2143@npcinternational.com>; Store2177 <store2177@npcinternational.com>; Store2156 <store2156@npcinternational.com>; Store2165 <store2165@npcinternational.com>; Store1960 <store1960@npcinternational.com>; Store2152 <store2152@npcinternational.com>; Store2157 <store2157@npcinternational.com>; Store2166 <store2166@npcinternational.com>; Store2169 <store2169@npcinternational.com>; Store2199 <store2199@npcinternational.com>; Store2170 <store2170@npcinternational.com>; Store2144 <store2144@npcinternational.com>; Store2142 <store2142@npcinternational.com>; Store2146 <store2146@npcinternational.com>; Store2149 <store2149@npcinternational.com>; Store2145 <store2145@npcinternational.com>; Store2161 <store2161@npcinternational.com>; Store2159 <store2159@npcinternational.com>; Store2175 <store2175@npcinternational.com>; Store2925 <store2925@npcinternational.com>; Store1961 <store1961@npcinternational.com>; Store2160 <store2160@npcinternational.com>; Store2141 <store2141@npcinternational.com>; Store2176 <store2176@npcinternational.com>; Store2153 <store2153@npcinternational.com>; Store2143 <store2143@npcinternational.com>; Store2181 <store2181@npcinternational.com>; Store2919 <store2919@npcinternational.com>; Store2866 <store2866@npcinternational.com>; Store2899 <store2899@npcinternational.com>; Store2914 <store2914@npcinternational.com>; Store2912 <store2912@npcinternational.com>

Cc: Enrique Aguayo <enrique.aguayo@npcinternational.com>; Jeff Bean (Disabled 6/17/20 CK) <jeff.bean@npcinternational.com>; Juan Coronado <juan.coronado@npcinternational.com>; Kevin McKinzie <kevin.mckinzie@npcinternational.com>; Sandy Jaramillo <sandy.jaramillo@npcinternational.com>; Steve Holm <steve.holm@npcinternational.com>; Latesha Azevedo <latesha.azevedo@npcinternational.com>; Tracy Richardson <tracy.richardson@npcinternational.com>; Ty Tarrant <ty.tarrant@npcinternational.com>; Whitney Buffaloe <whitney.buffaloe@npcinternational.com>

Subject: Food Order Due Today -> Not Received NPC

Importance: High

Hello Pizza Hut Team:

Your food order due today by 3:30pm pacific has not yet been received.

McLane team will delay until 4:00pm to duplicate your food order if not received.

If you prefer to not place an order, please respond by 3:45pm requesting a 'store not ordering'.

359203 NPC #2143
359189 NPC #2181
359212 NPC #2919
359220 NPC #2866
359187 NPC #2899
359211 NPC #2914
359207 NPC #2912
359194 NPC #2161
359225 NPC #2159
359228 NPC #2175
359227 NPC #2925
359215 NPC #1961
359205 NPC #2160
359193 NPC #2141
359202 NPC #2176
359218 NPC #2153
359214 NPC #1960
359195 NPC #2152
359196 NPC #2157
359221 NPC #2166
359213 NPC #2169
359206 NPC #2199
359223 NPC #2170
359199 NPC #2144
359198 NPC #2142
359222 NPC #2146
359219 NPC #2149
359217 NPC #2145
359201 NPC #2151
359216 NPC #1963
359208 NPC #2200
359191 NPC #2168
359224 NPC #2148
359203 NPC #2143
359197 NPC #2177
359200 NPC #2156
359204 NPC #2165

Thank you.

WaNeida | Customer Service | McLane | Tualatin, Oregon | Toll Free 800.737.4423

Exhibit 9

Debtors' July 20 Letter

Weil, Gotshal & Manges LLP

CONFIDENTIAL
BY E-MAIL

767 Fifth Avenue
New York, NY 10153-0119
+1 212 310 8000 tel
+1 212 310 8007 fax

Ray C. Schrock, P.C.
+1 (212) 310-8210
ray.schrock@weil.com

July 20, 2020

Bart McKay
McLane Foodservice, Inc.
2085 Midway Road
Carrollton, TX 75006

Re: NPC International, Inc. ("NPC") Credit Terms from McLane Foodservice, Inc. ("McLane")

Dear Mr. McKay:

As you are aware, we represent NPC and certain of its debtor affiliates (the "Debtors") in connection with their chapter 11 cases currently pending in the Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"), Case No. 20-33353 (DRJ) (the "Chapter 11 Cases"). Reference is made to that certain Master Distribution Agreement by and between Restaurant Supply Chain Solutions, LLC ("RSCS"), for and on behalf of itself and other participants thereunder, and McLane (together with any amendments, schedules, and statements of work, the "Master Distribution Agreement") and that certain Participant Distribution Joinder Agreement dated as of August 30, 2016 entitling NPC to all rights and privileges of the Master Distribution Agreement (the "Joinder Agreement").

As you are further aware, NPC is currently paying McLane under [REDACTED]. We write to inform you that, as of July 22, 2020, the Debtors intend to discontinue [REDACTED] and exercise their contractual right to [REDACTED] provided for in Schedule E-1 and Schedule E-3 (collectively, the "Schedules") to the Master Distribution Agreement.

On July 2, 2020, the Debtors obtained approval for the consensual use of cash collateral ("Cash Collateral") to fund general working capital needs throughout the Chapter 11 Cases. See, Interim Order (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief (Docket No. 112) (the "Interim Cash Collateral Order").¹ Payments to McLane are included in the Approved Budget that was approved by the Bankruptcy Court and the Prepetition Priority/1L Secured Lenders (as defined in the Interim Cash Collateral Order). As set forth in the

¹ The initial "Approved Budget" for the Debtors' consensual use of cash collateral is attached to the Interim Cash Collateral Order as Exhibit 1.

Bart McKay
July 20, 2020
Page 2

Weil, Gotshal & Manges LLP

Approved Budget, the Debtors currently enjoy a very substantial cash position and are in fact performing ahead of budget. Accordingly, the Debtors intend to perform pursuant to the payment terms provided in the Schedules, and will make payments to McLane [REDACTED]. The Debtors are highly confident in their ability to pay McLane on the [REDACTED] terms set forth in the Master Distribution Agreement and in accordance with the Approved Budget.

Please be advised that pursuant to the chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), you must continue performing under an executory contract, including the Master Distribution Agreement, until it is assumed or rejected. See N.L.R.B v. Bildisco & Bildisco, 465 U.S. 513, 532 (1984); Matter of Greystone III Joint Venture, 995 F.2d 1274, 1281 (5th Cir. 1991); In re Boston Post Rd. Ltd. P’ship, 21 F.3d 477, 484 (2d Cir.1994); United States ex rel. United States Postal Serv. v. Dewey Freight Sys., Inc., 31 F.3d 620, 624 (8th Cir. 1994).

Of course we know that McLane disputed the ability of the Debtors to take their contractual payment terms prepetition and, at such time, the Debtors elected to continue [REDACTED] while still maintaining and reserving all of their rights under the Master Distribution Agreement and applicable law. However, at this stage, the Debtors have a significantly improved cash position, improved business performance, and are operating within the confines of chapter 11 where McLane is entitled to substantial protection in the form of administrative priority for any claim arising postpetition. The Debtors are now exercising their contractual right to the [REDACTED] terms. Accordingly, please be advised that any further action taken by McLane to alter the payments terms provided for in the Master Distribution Agreement or otherwise terminate the performance of services or provision of products pursuant to the Master Distribution Agreement or any executory contracts between McLane and the Debtors may potentially constitute a “willful” violation of the Automatic Stay. Applicable law has established that “[w]hether the party believes in good faith that it had a right to the property is not relevant to whether the act was *willful* or whether compensation must be awarded,” rather, “the statute provides for damages upon a finding that the defendant knew of the automatic stay and that the defendant’s actions which violated the stay were intentional.” In re Atl. Bus. & Cmty. Corp., 901 F.2d 325, 328 (3d Cir. 1990) (internal citations omitted); see also, Young v. Repine (In re Repine), 536 F.3d 512, 519 (5th Cir. 2008). Parties that willingly violate the Automatic Stay may be liable for compensatory damages, including, among other things, attorneys’ fees, court costs, and punitive damages. See id.; 11 U.S.C. § 362(k)(1).

We expect that McLane will continue performing under the Master Distribution Agreement and the credit terms provided for therein, and any other executory contracts pending assumption or rejection.

Bart McKay
July 20, 2020
Page 3

Weil, Gotshal & Manges LLP

On behalf of NPC and the Debtors, we reiterate our desire to continue a strong relationship with McLane going forward. The Debtors reserve all rights and waive none.

Sincerely,

Ray C. Schrock, P.C.

cc:

Kevin Bostel, Esq.

Jonathan T. Edwards, Esq.

Exhibit 10

McLane's December 24, 2019 letter



December 24, 2019

Via FedEx and email to jon.weber@npcinternational.com

Jon Weber
Chief Executive Officer/Chief Operating Officer
NPC International, Inc.
4200 West 115th Street, Suite 200
Leawood, Kansas 66211

**Re: Request by NPC International, Inc. ("NPC") for Additional Credit Terms from
McLane Foodservice, Inc. ("McLane")**

Dear Mr. Weber:

Susan Adzick has asked that I write to you in my capacity as the general counsel for McLane Foodservice, Inc. to communicate McLane's position concerning NPC's request of McLane to increase NPC's existing credit terms to [REDACTED].

I understand that you and Susan are scheduled to talk by phone this coming Friday, December 27. In preparation for those discussions, Susan asked me to share the proposed terms on which McLane would be prepared to meet NPC's request, keeping in mind that McLane has and maintains sole and absolute discretion to determine whether to maintain, increase, or reduce credit terms to any Pizza Hut franchisee, including NPC. Specifically, the Terms of Sale and other applicable documents to which NPC and McLane are party, including the Participant Distribution Joinder Agreement (the "Joinder Agreement"), state that McLane may, [REDACTED]

Additionally, the Master Distribution Agreement, to which NPC expressly agreed to be bound in the Joinder Agreement, expressly provides that [REDACTED]

In the exercise of its discretion, and subject to the reservation of rights, qualifications, and mutual understandings set forth in this letter, McLane is prepared to extend to NPC terms equal to [REDACTED] of credit to be paid by NPC as invoices are currently paid (*i.e.*, NPC initiates payments to McLane via Automatic Clearing House), *provided* that NPC agree to

December 24, 2019

Page 2

each of the following conditions precedent and execute and deliver to McLane the necessary documents to satisfy such conditions precedent:

1. NPC would agree to an immediate and permanent increase in full-case Base Markup by [REDACTED] per case (*i.e.*, new current Base Markup of [REDACTED] per case, with future adjustments per Exhibit E, § 6 of the Joinder Agreement);
2. NPC would execute and deliver to McLane a Purchase Money Security Agreement, which shall grant to McLane first-lien priority status on the inventory McLane delivers to all NPC Pizza Hut restaurant locations and the cash proceeds thereof;
3. NPC would provide to McLane an updated organizational chart reflecting NPC's senior management team and corporate structure up to and including its ultimate parent, Eldridge Industries, LLC, a Delaware limited liability company ("Eldridge"), as well as a narrative description of NPC's cash management systems from store-level to corporate accounts;
4. NPC would submit an updated application for credit on the forms previously supplied by McLane;
5. NPC would cause Eldridge to execute and deliver to McLane a Springing Guaranty, whereby Eldridge will guarantee all McLane Pizza Hut-related indebtedness on a full recourse basis upon the occurrence of the following full recourse triggering events:
 - a. NPC fails to submit to McLane quarterly financial statements certified by its Chief Financial Officer within 30 calendar days following the end of each fiscal quarter (March, June, September, and December);
 - b. Based on the quarterly review of such financial statements by McLane, Earnings Before Depreciation and Amortization ("EBDA") falls below 2.50% of total sales for two consecutive quarters;
 - c. Based on the quarterly review of such financial statements by McLane, NPC's cash flow is negative in any quarter;
 - d. NPC's accounts receivable balance exceeds \$7,000,000.00; or

December 24, 2019

Page 3

e. A "Change in Control"¹ with respect to NPC shall occur.

Any such definitive documentation required hereunder shall be subject to McLane's review and final approval, such approval not to be unreasonably withheld.

Until such time, if any, as NPC and McLane arrive at mutually agreeable terms for an extension to [REDACTED] arrangement, NPC must remain current within the longstanding payment terms for which NPC has been approved, namely [REDACTED]. NPC's aggressive posture in the past week by claiming and acting upon a unilateral right to adjust credit terms in direct violation of our agreement leaves McLane questioning NPC's current financial situation and near-term prospects, as well as questioning the prudence of increasing McLane's risk on this account under such an arrangement as described above.

As of 11:00 a.m. Central Standard Time today, McLane has not received the payment due today in the amount of [REDACTED]. In the event this payment in full is not received by 3:00 p.m. CST today, NPC will be in default and McLane will immediately suspend service and cease deliveries to all NPC restaurants, in addition to all other applicable rights and remedies.

Nothing in this letter alters McLane's rights, remedies, credit standards, or McLane's ability to reduce such terms in the future, nor shall this letter constitute or be construed to constitute an executory obligation by McLane to provide any credit to NPC. By accepting such increased credit terms on the terms and conditions set forth herein, you acknowledge that it is our mutual understanding that this letter constitutes financial accommodations within the meaning of 11 U.S.C. § 365(c)(2).

We look forward with anticipation to NPC's response to these terms and conditions of an increase in its credit terms, and we very much appreciate our business relationship. If these terms and conditions are acceptable, please inform us at your earliest convenience

¹ The term "Change in Control" shall mean, with respect to NPC, the occurrence of any of the following:

(a) Eldridge, at any time for any reason ceases to own, at least 51% of NPC's issued and outstanding equity interests (as the same may be adjusted for any combination, recapitalization, or reclassification into a greater or smaller number of shares or units); or

(b) any "change in/of control" of, or "sale" or "disposition" of all or substantially all of the assets of, or "merger" or similar event or transaction or series of related transactions as defined in any certificate of incorporation or formation or statement of designation or operating agreement of NPC, NPC Restaurant Holdings, LLC or Eldridge, where such entity is not the surviving entity of such merger or similar event.

December 24, 2019

Page 4

and countersign below so we can prepare and deliver the above-mentioned documentation.

Sincerely,

McLANE FOODSERVICE, INC.



Bart McKay
General Counsel

c Renee Siebert, Senior VP Operations – Accounting, NPC International
via email to renee.siebert@npcinternational.com

Jeff Wilbur, Senior Director, Eldridge Industries
via email to jeff.wilbur@eldridge.com

Acknowledged and accepted by:

NPC INTERNATIONAL, INC.

By:
Its: