

THE GORDON COMPANY

presents

Case Study: Supermarket Reorganization



> CASE STUDY: Supermarket Reorganization



- **Penn Traffic**, a leading Midwest supermarket operator had a survival problem; it needed, under Chapter 11 reorganization, to maximize its recovery on its inventory and non-inventory assets in 75 non-performing stores, a one million+ sq. ft. supermarket warehouse and distribution center, along with a corporate office complex.
- The non-inventory assets included the furniture, fixtures and equipment (FF&E) at all locations plus a large truck fleet.
- The options: get bids on the entirety from so-called “one stop shopping” liquidation firms or get separate bids on the inventory and non inventory assets. Their decision: separate bids, each with guaranteed net returns plus back-end participation, would at worst, produce no less than entirety bids. Given more bidders were involved and each bidder could put its best foot forward in its area of expertise, the inventory only and the non-inventory obviously exceeded what packaged bids would have produced.
- The Gordon Company ultimately was the winning non-inventory bidder, and due to our participation and outstanding results, Penn Traffic greatly exceeded their expectations on the value of the available FF&E.



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- In addition to being the highest bidder for the non-inventory assets, The Gordon Company was able to lend their expertise and negotiating skills to help sell many of the locations as whole packages back to existing landlords or to competitive chains.
 - Our in-house sales team allowed us to leverage a nationwide customer base vs. a local auction approach, and combined with a proprietary *database of over 150,000 customers* and innovative marketing techniques, we realized industry leading recovery values for the client.
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- The success of our efforts helped move the company's reorganization strategy in a positive and forward direction, and The Gordon Company proved the value and importance of ***breaking out the FF&E and conducting a separate auction.***
 - As is usually does, The Gordon Company included Penn Traffic as a participant in the venture's profits, resulting in additional funds available to Penn Traffic to invest in its ongoing operations. By having an FF&E expert and carving out this product, the estate maximized recovery and The Gordon Company added several million dollars in incremental cash value.



> Make The Gordon Company Your Strategic Partner!

A call to **The Gordon Company** brings the highest cash returns from an experienced, creative, and responsive specialist!

Can you or your professional advisor afford not to contact us when seeking disposition services?



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