

Calvin Gin and Affiliates Acquire Luby's Cafeteria

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Winston & Strawn LLP represented Calvin Gin and his affiliates in his acquisition of the Luby's Cafeteria restaurant business from Luby's, Inc. (NYSE: LUB). Mr. Gin is a member of the storied Gin Family, who established The Flying Food Group by Sue Gin, which has grown to the third-largest airline catering company in North America and provides food preparation services for others, including Starbucks, throughout the United States. The purchase by the Gin affiliate (to be renamed "Luby's Restaurants Corp." following the closing of the transaction) will include 32 of the existing locations of Luby's restaurants, all in Texas, and ownership of the Luby's Cafeteria brand, which according to Mr. Gin, is "one of the iconic brands in the Texas restaurant market." The structure of the transaction will allow Luby's to sell its real estate related to its cafeteria restaurant business to third parties and realize the related value for its shareholders. It is currently anticipated, following the closing of the transaction, that almost all employees at the 32 involved locations will be offered positions by the purchaser to remain at those store locations, employment that will likely total over 1,000 associates. The Luby's Cafeteria operations sale transaction could provide Luby's with approximately US\$28.7M of value (all but a nominal amount of which will be derived from the purchaser's assumption of Luby's liabilities and the purchaser's issuance of notes to Luby's). The sale of the Luby's Cafeteria operations is another step in the execution of the previously announced plan of Luby's to sell its assets, pay its liabilities, and return the remaining cash to shareholders under the Company's previously announced plan of liquidation and dissolution approved by its shareholders on November 17, 2020.

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