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Lucky's Market files for bankruptcy



By **RON HURTIBISE** SOUTH FLORIDA SUN SENTINEL | JAN 27, 2020 | 5:46 PM



Less than a week after announcing that it's closing 20 of 21 Florida stores, Lucky's Market filed for Chapter 11 bankruptcy reorganization on Monday, Jan. 27. (Carline Jean / South Florida Sun Sentinel)

A week after disclosing plans to close 32 of its 39 stores, including all but one in Florida, Lucky's Market has filed for bankruptcy.

The Boulder, Colo.-based chain filed for Chapter 11 reorganization Monday in federal bankruptcy court in Delaware.

Despite the filing, the company still plans to keep seven of its stores open, spokeswoman Krista Torvik said in a news release. The sole surviving Florida store is in West Melbourne. The others are in Traverse City, Mich.; Cleveland and Columbus, Ohio; Columbia, Mo.; North Boulder and Fort Collins, Colo.

According to the company's bankruptcy petition, it has between \$100 million and \$500 million in assets and between \$500 million and \$1 billion in liabilities. The number of affected creditors range from 10,001 and 25,000.

Unsecured creditors include United Natural Foods Inc. (\$13.3 million), the Black Business Investment Fund (\$5.9 million), and Sherwood Food Distributors (\$2.1 million).

Lucky's operated stores in [Coral Springs, Oakland Park and Plantation](#) and had plans to open additional stores in Miami-Dade and Palm Beach counties.

The chain, which boasted of providing "organic for the 99 percent" and set itself apart from competitors by offering beer and wine that shoppers could "sip 'n' stroll," had about 2,500 employees in Florida and 4,000 company-wide.

Since Wednesday, the stores targeted for closure have been liquidating their merchandise at 25 percent off regular prices. Shoppers have reported that the stores' shelves are being emptied quickly. On Sunday, the Coral Springs location was nearly sold out of meat, cheese, dairy items, beer, snacks, baked goods and prepared foods.

The bankruptcy filing will enable the company to dispatch debt related to the closing stores, such as money owed for the remaining terms of those locations' lease contracts, without encumbering the surviving stores.

Torvik also announced that Lucky's has sold its interest in six of its locations to ALDI, including five leased properties and one store that was owned by Lucky's. Torvik did not disclose locations of the stores that ALDI is acquiring. In addition to its 20 Florida stores, Lucky's is closing stores in Montana, Missouri, Colorado, Kentucky and Michigan.

Closure of the 32 stores and the bankruptcy filing follows by less than two months an announcement by major investor Kroger that it was divesting its interest in the company and taking a \$238 million charge.

Kroger invested a "meaningful sum" in Lucky's in 2016, after Lucky's had grown to 17 stores and was beginning to expand in Florida. While neither company has specified the amount of the investment, Monday's filing revealed that Kroger owns 55 percent of the equity interests of Lucky's Market Parent Company, which controls all of the stores.

Joe Luzinski, senior managing director of the bankruptcy-focused Fort Lauderdale-based Development Specialists Inc., questioned whether the seven locations Lucky's has said it will spare will really remain Lucky's Markets for long.

Because the locations are so far-flung and beyond its owners' ability to efficiently distribute to them, Lucky's might have other plans, he said. Either the owners are keeping the stores as a going concern because a deal to sell them all to a single buyer is in the works, or they plan to use the seven remaining stores to test a different concept, Luzinski said.

If the company really does expect to keep the seven stores operating as they are now, Luzinski said, “I’m not overly optimistic there’s a core business there. “Chapter 11 by itself might help fix the balance sheet but it doesn’t fix the business.”