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The Credits Roll for IPIC

CONTACTS

Daniel Bragen
Analyst
+1 215-882-5407
dan.bragen@kbra.com

Brian Quintrell
Director
+1 215-882-5903
brian.quintrell@kbra.com

Mike Brotschol
Managing Director
+1 215-882-5853
mike.brotschol@kbra.com

IPIC Theaters, LLC filed for Chapter 11 protection under Subchapter V in the Southern District of Florida on February 25. In a press release, IPIC stated that it intends to pursue a court-supervised sale while continuing operations at its 13 theaters, and it expects to have sufficient liquidity to complete an expedited sale and plan process. The company also issued Worker Adjustment and Retraining Notification (WARN) notices to all employees, noting that continued employment beyond the notice period is not guaranteed. While IPIC indicated it plans to operate during the sale and restructuring process, WARN notices and related disclosures suggest that select locations could face closure absent a successful sale or lease resolution.

KBRA Credit Profile (KCP) reviewed its commercial mortgage-backed securities (CMBS) coverage and identified three properties securing three loans—\$591.5 million by allocated loan amount—across 13 transactions that have exposure to IPIC tenancies. KCP subscribers can access that list [here](#).

The deterioration in the movie theater sector reflects a broader post-pandemic reset in demand for out-of-home entertainment, as audiences have increasingly shifted toward at-home streaming. This shift has been reinforced by shorter theatrical exclusivity windows, with new releases brought into home-viewing much faster than in the past. With attendance less consistent, high fixed costs and inflation-sensitive discretionary spending continue to pressure margins and liquidity, contributing to closures and restructurings.

KCP will continue to monitor developments related to the filing and report on potential consequences for CMBS collateral.



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