

FORM B1	<b>United States Bankruptcy Court Southern District of New York</b>	<b>Voluntary Petition</b>
---------	---	---------------------------

Name of Debtor (if individual, enter Last, First, Middle) <b>Dairy Mart Convenience Stores, Inc.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle)
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names): <b>None</b>	All Other Names used by the joint Debtor in the last 6 years (include married, maiden, and trade names):
Soc. Sec./Tax I.D. No. (if more than one, state all): <b>Tax ID: 04-2497894</b>	Soc. Sec./Tax I.D. No. (if more than one, state all):
Street Address of Debtor (No. & Street, City, State & Zip Code): <b>One Dairy Mart Way 300 Executive Parkway West Hudson, OH 44236</b>	Street Address of Debtor (No. & Street, City, State & Zip Code):
County of Residence of the Principal Place of Business	County of Residence of the Principal Place of Business
Mailing Address of Debtor (if different from street address) <b>Same</b>	Mailing Address of Debtor (if different from street address)
Location of Principal Assets of Business Debtor (if different from street address above): <p style="text-align: center;"><i>to be determined</i></p>	

**Information Regarding the Debtor (Check Applicable Boxes)**

<b>Venue</b> (Check any applicable box)	
<input type="checkbox"/> Debtor has been domiciled or has had a residence, place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.	
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner or partnership pending in this District.	
<b>Type of Debtor</b> (Check all boxes that apply) <input type="checkbox"/> Individual(s) <input type="checkbox"/> Railroad <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Stockbroker <input type="checkbox"/> Partnership <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Other _____	<b>Chapter or Section of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box) <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Sec. 304 - Case ancillary to foreign proceeding
<b>Nature of Debts</b> (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business	<b>Filing Fee</b> (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay the fee except in installments. Rule 1006(b). See Official Form No. 3.
<b>Chapter 11 Small Business</b> (Check all boxes that apply) <input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101 <input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)	

<b>Statistical/Administrative Information</b> (Estimates only) <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to creditors.	This Space For Court Use Only																
<b>Estimated Number of Creditors</b> <table style="width:100%; text-align: center;"> <tr> <td>1-15</td> <td>16-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1000-over</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> </table>	1-15	16-49	50-99	100-199	200-999	1000-over	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>					
1-15	16-49	50-99	100-199	200-999	1000-over												
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>												
<b>Estimated Assets</b> <table style="width:100%; text-align: center;"> <tr> <td>\$0 - \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$1,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More Than \$100 Million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> </table>	\$0 - \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$1,000,001 to \$50 million	\$50,000,001 to \$100 million	More Than \$100 Million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
\$0 - \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$1,000,001 to \$50 million	\$50,000,001 to \$100 million	More Than \$100 Million										
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>										
<b>Estimated Debts</b> <table style="width:100%; text-align: center;"> <tr> <td>\$0 - \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$1,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More Than \$100 Million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> </table>	\$0 - \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$1,000,001 to \$50 million	\$50,000,001 to \$100 million	More Than \$100 Million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
\$0 - \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$1,000,001 to \$50 million	\$50,000,001 to \$100 million	More Than \$100 Million										
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>										

**Voluntary Petition**  
(This page must be completed and filed in every case)

Name of Debtor(s): **Dairy Mart Convenience Stores, Inc.**

**Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)**

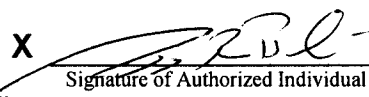
Location: None Case Number: Date Filed:  
Where Filed:

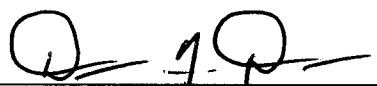
**Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)**

Name of Debtor: Case Number: Date Filed:  
**See Attachment A incorporated herein by reference.** Relationship: Judge  
District:

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**  
I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.  
**X** \_\_\_\_\_  
Signature of Debtor  
**X** \_\_\_\_\_  
Signature of Joint Debtor  
\_\_\_\_\_  
Telephone Number (If not represented by attorney)  
\_\_\_\_\_  
Date

**Signature of Debtor (Corporation/Partnership)**  
I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.  
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.  
**X**  \_\_\_\_\_  
Signature of Authorized Individual  
**Gregg R. Budo**  
Printed Name of Authorized Individual  
**Vice President-Finance, Treasurer**  
\_\_\_\_\_  
Title of Authorized Individual  
\_\_\_\_\_  
Date: **September 24, 2001**

**Signature of Attorney**  
**X**  \_\_\_\_\_  
**Dennis F. Dunne (DD 7543)**  
**Milbank, Tweed, Hadley & McCloy, LLP**  
**1 Chase Manhattan Plaza**  
**New York, NY 10005**  
**(212) 530-5000**  
**Date: September 24, 2001**

**Signature of Non-Attorney Petition Preparer**  
I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. ' 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document  
\_\_\_\_\_  
Printed Name of Bankruptcy Petition Preparer  
\_\_\_\_\_  
Social Security number  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document.

**Exhibit A**  
**Exhibit B**  
(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)  
 Exhibit A is attached and made a part of this Petition  
(To be completed if debtor is an individual whose debts are primarily consumer debts)  
I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.  
**X** \_\_\_\_\_  
Signature of Attorney of Debtor(s) Date

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.  
**X** \_\_\_\_\_  
Signature of Bankruptcy Petition Preparer  
\_\_\_\_\_  
Date  
A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

ATTACHMENT A

AFFILIATED DEBTORS

The following affiliated entities are filing substantially contemporaneous voluntary chapter 11 petitions with this Court:

<u>Name</u>	<u>Filing Date</u>	<u>District</u>	<u>Judge</u>	<u>Case No.</u>
CIA Food Marts, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Dairy Mart, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Dairy Mart Farms, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Dairy Mart East, Inc.	September 24, 2001	SDNY	Unknown	Unknown
The Lawson Company, a Delaware Corporation	September 24, 2001	SDNY	Unknown	Unknown
The Lawson Milk Company, an Ohio Corporation	September 24, 2001	SDNY	Unknown	Unknown
LMC, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Golden Stores, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Quik Shops, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Open Pantry Properties, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Convenient Industries of America, Inc.	September 24, 2001	SDNY	Unknown	Unknown
CONNA Corporation	September 24, 2001	SDNY	Unknown	Unknown
Remote Services, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Food Merchandisers, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Oscar Ewing, Inc.	September 24, 2001	SDNY	Unknown	Unknown
D.M. Insurance Limited	September 24, 2001	SDNY	Unknown	Unknown
SNG of Southern Minnesota, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Lakeside Wholesale, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Convenient Gasoline, Inc.	September 24, 2001	SDNY	Unknown	Unknown
Jackson County Grocery Co. Inc.	September 24, 2001	SDNY	Unknown	Unknown
Greenwell Grocery Co., Inc.	September 24, 2001	SDNY	Unknown	Unknown
DM Risk Management Company, Inc., an Ohio Corporation	September 24, 2001	SDNY	Unknown	Unknown

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
In re: :  
 : Chapter 11  
 :  
DAIRY MART CONVENIENCE STORES, INC. : Case No. 01-\_\_\_\_\_ (\_\_\_\_\_)  
 :  
 :  
Debtor. :  
 :  
-----x

EXHIBIT A

1. The SEC File Number for Dairy Mart Convenience Stores, Inc.'s ("DMC") common stock, which is registered under Section 12 of the Securities and Exchange Act of 1934, is 0-12497.

2. The following financial data represents the consolidated assets and debts of DMC and its subsidiaries as of May 5, 2001, as reflected in DMC's filings made with the Securities and Exchange Commission:

- a. Total assets \$ 190,740,000
- b. Total debts
  - Short Term Debt \$ 70,827,000
  - Long Term Debt \$ 149,910,000
- c. Debt securities held by more than 500 holders.  
None
- d. Number of shares of preferred stock.  
None
- e. Number of shares of common stock as of April 27, 2001.  

Number of Shares	Approx. Number of Holders
5,004,593	2,200

3. Brief description of debtor's business.

DMC and its subsidiaries operate one of the nation's largest regional convenience store chains with approximately 547 stores (including 95 franchised stores) operating under the "Dairy Mart" name in Ohio, Kentucky, Pennsylvania, Michigan, Indiana, Tennessee, and North Carolina. All Dairy Mart stores offer extended hours and approximately half of them operate 24 hours a day for the added convenience of customers. Dairy Mart stores offer more than 3,000 convenience products, including milk, ice cream, groceries, beverages, snack foods, candy, deli products, publications, health and beauty care aids, tobacco products, select highly consumable general merchandise, lottery tickets, money orders, select customer focused services, and gasoline (which is available at approximately 276 Dairy Mart stores). Dairy Mart has also installed branded food services, including Mr. Hero®, Taco Bell®, and Subway® at 37 store locations. In March 1999, Dairy Mart entered into a third-party agreement to provide ATM services at all of its stores.

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor.

The following table sets forth the relevant numbers as of February 3, 2001, as reflected in the company's filings made with the Securities and Exchange Commission

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Owner</b>
DM Associates Limited Partnership 300 Executive Parkway West Hudson, Ohio 44236	702,617
New DM Management Associates I 300 Executive Parkway West Hudson, Ohio 44236	702,617
Robert B. Stein, Jr. 300 Executive Parkway West Hudson, Ohio 44236	1,076,368
Gregory G. Landry 300 Executive Parkway West Hudson, Ohio 44236	912,992
The IDS Mutual Fund Group 25614 AXP Financial Center Minneapolis, Minnesota 55474	378,903

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Owner</b>
Triumph-Connecticut Limited Partnership 28 State Street, 37th Floor Boston, Massachusetts 02109	827,221
American International Group, Inc. 70 Pine Street New York, New York 10005	388,811
William L. Musser, Jr. and New Frontier Capital, L.P. 919 Third Avenue New York, New York 10022	327,550
Albert T. Adams 3200 National City Center 1900 E. 9th Street Cleveland, Ohio 44114	13,750
Frank W. Barrett 1441 Main Street Springfield, Massachusetts 01101	27,500
J. Kermit Birchfield, Jr. Cranberry Hill 33 Way Road Gloucester, Massachusetts 01930	30,325
John W. Everets 60 State Street Boston, Massachusetts 02109	32,625
William A. Foley 20005 Lake Road Rocky River, Ohio 44116	2,750
J. Wayne Colley 4837 Arbour Green Bath, Ohio 44333	105,000
Dale R. Valvo	18,950
Alice R. Guiney 300 Executive Parkway West Hudson, Ohio 44236	20,549
Susan D. Adams	21,750

## CERTIFICATE OF RESOLUTIONS

I, Gregg R. Budoi, Vice President-Finance, Treasurer and Chief Financial Officer of Dairy Mart Convenience Stores, Inc., a Delaware corporation ("DMC"), hereby certify that at a special meeting of the Board of Directors of DMC duly called and held on September 21, 2001, the following resolutions were duly adopted and that said resolutions have not been modified or rescinded and are still in full force and effect on the date hereof:

RESOLVED that, in the judgment of the Board of Directors of DMC, it is desirable and in the best interests of DMC, its creditors, employees, and other interested parties that a petition be filed by DMC seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"); and it is further

RESOLVED that the appropriate officers of DMC are hereby authorized, empowered and directed, in the name and on behalf of DMC, to execute and verify a petition under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Southern District of New York at such time as said officer executing the same shall determine; and it is further

RESOLVED that the law firm of Milbank Tweed Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, is hereby employed as attorneys for DMC in DMC's chapter 11 case and in other, related matters, on such terms and conditions as the officers of DMC shall approve, subject to bankruptcy court approval; and it is further

RESOLVED that the firm of PricewaterhouseCoopers LLP, 1177 Avenue of the Americas, New York, NY 10036, is hereby employed as financial advisors and restructuring accountants for DMC in DMC's chapter 11 case and in other, related matters, on such terms and conditions as the officers of DMC shall approve, subject to bankruptcy court approval; and it is further

RESOLVED that the firm of Houlihan Lokey Howard & Zukin Capital, 1930 Century Park West, Los Angeles, CA 90067, is hereby employed as financial advisors for DMC in DMC's chapter 11 case and in other, related matters, on such terms and conditions as the officers of DMC shall approve, subject to bankruptcy court approval; and it is further

RESOLVED that the appropriate officers of DMC are hereby authorized, empowered and directed to execute and file all petitions, schedules, motions, lists, applications, pleadings, and other papers, and, in that connection, to employ and retain all assistance by legal counsel, accountants, financial advisors, and other professionals, and to take and perform any and all further acts and deeds which they deem necessary, proper, or desirable in connection with DMC's chapter 11 case, with a view to the successful prosecution of such case; and it is further

RESOLVED that the appropriate officers of DMC be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of DMC, to execute and deliver a debtor in possession loan or other credit facility (including, in connection therewith, such related notes or instruments as such officers consider appropriate) on the terms and conditions presented to this meeting together with such other terms and conditions as such officer or officers executing same may consider necessary, proper or desirable, such determination to be conclusively evidenced by such execution or the taking of such action, and to consummate the transactions contemplated by such agreements or instruments on behalf of DMC and any pertinent affiliates; and it is further

RESOLVED that the appropriate officers of DMC are hereby authorized, empowered and directed, in the name and on behalf of DMC, to cause DMC to enter into, execute, deliver, certify, file and/or record, and perform, such agreements, instruments, motions, affidavits, applications for approvals or ruling of governmental or regulatory authorities, certificates or other documents, and to take such other action, as in the judgment of such officer shall be or become necessary, proper and desirable to prosecute to a successful completion the chapter 11 cases, to effectuate the restructuring of the debt, other obligations, organizational form and structure and ownership of DMC consistent with the foregoing resolutions and to carry out and put into effect the purposes of the foregoing resolutions and the transactions contemplated by these resolutions, their authority thereunto to be evidenced by

the taking of such actions; and it is further

RESOLVED that any and all past actions heretofore taken by officers or directors of DMC in the name and on behalf of DMC in furtherance of any or all of the preceding resolutions be, and the same hereby are, ratified, confirmed and approved.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Resolution as the Vice President-Finance, Treasurer and Chief Financial Officer of DMC on this 24<sup>th</sup> day of September, 2001.



Gregg R. Budoi  
Vice President-Finance, Treasurer  
and Chief Financial Officer