

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

F21 OPCO, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10469 ( )

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO CONTINUE  
(A) TO MAINTAIN PREPETITION INSURANCE POLICIES,  
(B) TO MAINTAIN PREPETITION SURETY BONDS, AND (C) TO USE THE  
SERVICES OF THE BROKER; AND (II) GRANTING RELATED RELIEF**

F21 OpCo, LLC and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (these “**Chapter 11 Cases**”), hereby submit this motion (this “**Motion**”) for entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** (the “**Interim Order**”) and **Exhibit B** (the “**Final Order**”) and, together with the Interim Order, the “**Proposed Orders**”), (i) authorizing, but not directing, the Debtors, in the ordinary course of business, as needed, to (a) continue to maintain and administer their prepetition insurance policies and revise, extend, renew, supplement, or change such policies, (b) maintain, extend, renew, supplement, and/or modify their prepetition surety bonds, and (c) continue to use the services of the Broker (defined below), and (ii) granting related relief. In support of this Motion, the Debtors rely upon, and incorporate by reference, the *Declaration of Stephen Coulombe in Support of Chapter 11 Petitions and First Day Pleadings* (the “**First Day**”

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: F21 OpCo, LLC (8773); F21 Puerto Rico, LLC (5906); F21 GiftCo Management, LLC (6412). The Debtors’ address for purposes of service in these Chapter 11 Cases is 110 East 9th Street, Suite A500, Los Angeles, CA 90079.



**Declaration**”),<sup>2</sup> filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

### **JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the District of Delaware (the “**Court**”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Under Rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue of these Chapter 11 Cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105(a), 363(b), and 364 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

### **BACKGROUND**

4. On the date hereof (the “**Petition Date**”), the Debtors filed voluntary petitions in the Court commencing these Chapter 11 Cases. The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. No

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

trustee or examiner has been requested and no committee has been appointed in these Chapter 11 Cases.

5. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of these Chapter 11 Cases, is set forth in detail in the First Day Declaration. Simultaneously herewith, the Debtors have filed a motion seeking to have these Chapter 11 Cases jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

## **OVERVIEW OF INSURANCE POLICIES**

### **I. GENERAL**

6. In the ordinary course of business, the Debtors maintain a comprehensive insurance program (the “**Insurance Program**”). The Insurance Program includes multiple insurance policies (each a “**Policy**” and, collectively, the “**Policies**”). The Policies vary in amounts and types of coverage in accordance with prudent business practices, state and local laws governing the jurisdictions in which the Debtors operate and various contractual obligations. The Policies include: (a) general liability, (b) umbrella, (c) automobile, (d) property/all risk, (e) directors & officers liability, employment practices liability, fiduciary liability, commercial crime, kidnap and ransom, (f) excess liability, (g) adwrap, (h) cyber, and (i) international, travel, and ocean cargo, among others.<sup>3</sup>

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<sup>3</sup> Contemporaneously herewith, the Debtors have filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay and Honor Certain (A) Prepetition Wages, Benefits, and Other Compensation Obligations; (B) Prepetition Employee Business Expenses; (C) Bonus Program Obligations; and (D) Workers’ Compensation Obligations; (II) Authorizing Banks to Honor and Process Checks and Transfers Related to Such Obligations; and (III) Granting Related Relief* (the “**Employee Wages Motion**”). The Employee Wages Motion seeks, among other things, authority to continue to (a) provide various benefits, including applicable insurance coverage, for employee health and welfare programs, and (b) administer their workers’ compensation program and honor all obligations in connection therewith in the ordinary course of business. These programs and policies are not listed on the Insurance Schedule.

7. The Debtors' share of the annual premium amounts owed under the Policies are funded by non-debtor affiliate SPARC Group Holdings, LLC ("**SPARC**"). As described in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Continued Use of Cash Management System; (II) Authorizing Use of Prepetition Bank Accounts and Certain Payment Methods; (III) Authorizing Continued Performance of Intercompany Transactions in the Ordinary Course of Business; and (IV) Granting Related Relief* (the "**Cash Management Motion**"), filed contemporaneously herewith, the Insurance Program costs are part of the Shared Services (as defined in the Cash Management Motion) from which the Debtors benefit. As SPARC pays for the insurance premiums covering the Debtors' Policies, SPARC books an intercompany receivable owing from the Debtors, thus increasing the SPARC Payable (as defined in the Cash Management Motion). The Policies that are the subject of this Motion are listed in the schedule attached hereto as **Exhibit C** (the "**Insurance Schedule**").<sup>4</sup> For each Policy, the Insurance Schedule includes or otherwise identifies, among other things: (a) the corresponding insurance carrier (each an "**Insurance Carrier**", and collectively, the "**Insurance Carriers**"); (b) the last four digits of the policy number; and (c) the Debtors' allocated share of the annual premium.

8. The Policies are essential to the preservation of the value of the Debtors' business, property, and assets during these Chapter 11 Cases. Not only are some of the Policies required by the various regulations, laws, and contracts that govern the Debtors' commercial activities, but section 1112(b)(4)(C) of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Moreover, the *Operating Guidelines*

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<sup>4</sup> The Policies summarized on the Insurance Schedule are representative only and are not intended to restrict the Debtors from changing carriers or programs, or adding different types of insurance, in the reasonable exercise of the Debtors' discretion.

*for Chapter 11 Cases* of the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) require debtors to maintain insurance coverage throughout the pendency of these Chapter 11 Cases.

9. The Debtors’ annual share of the total annual premiums under the current Policies is approximately \$5.8 million. The premiums are paid to the relevant Insurance Carriers as installment payments through the Broker (as defined herein). As of the Petition Date, the Debtors believe that there are no prepetition amounts owing on account of the Insurance Program. Accordingly, through this Motion, the Debtors only seek authority to continue the Insurance Program in the ordinary course of business.

## **II. BROKER**

10. The Debtors employ Marsh USA LLC as their insurance broker (the “**Broker**”) to assist them with the procurement and negotiation of the Policies. In exchange for their services, the Debtors (through SPARC) pay the Broker certain fees (the “**Broker Fees**”) on a commission basis. As of the Petition Date, the Debtors believe that there are no outstanding prepetition amounts owed to the Broker. The Debtors request authority, but not direction, to continue utilizing the Broker’s services in the ordinary course of business.

## **III. THE DEBTORS’ SURETY BONDS**

11. In the ordinary course of business, the Debtors maintain fifteen (15) surety bonds, a list of which is attached hereto as **Exhibit D** (collectively, the “**Surety Bonds**”) issued by certain sureties (collectively, the “**Sureties**”). The Debtors have issued Surety Bonds in favor of various federal, state, and industry regulatory agencies, along with certain utilities, to guarantee certain obligations related to various operations obligations. The Debtors are required to maintain certain of the Surety Bonds under state and federal laws to conduct their business and operations in the

applicable jurisdictions. As such, failing to provide, maintain, and timely replace the Surety Bonds will prevent the Debtors from undertaking essential functions related to their operations.

12. As of the Petition Date, the Debtors' Surety Bonds have annual premiums totaling approximately \$30,000.00 in the aggregate, on which the Debtors are current. The Debtors seek authority to continue to maintain the Surety Bonds in the ordinary course of business.

### **RELIEF REQUESTED**

13. By this Motion, the Debtors seek entry of the Proposed Orders (i) authorizing, but not directing, the Debtors, in the ordinary course of business, as needed, to (a) continue to maintain and administer the Policies and revise, extend, renew, supplement, or change the Policies, (including through obtaining "tail" coverage), (b) maintain, extend, renew, supplement, and/or modify the Surety Bonds, and (c) continue to use the services of the Broker, and (ii) granting related relief.<sup>5</sup>

### **BASIS FOR RELIEF**

#### **I. CAUSE EXISTS TO AUTHORIZE THE DEBTORS TO CONTINUE TO MAINTAIN THE INSURANCE PROGRAM AND SURETY BONDS AND TO CONTINUE TO USE THE SERVICES OF THE BROKER IN THE ORDINARY COURSE OF BUSINESS**

14. The Court may grant the relief requested herein pursuant to section 363 of the Bankruptcy Code. Section 363(b)(1) provides that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1).

15. In addition, sections 1107(a) and 1108 of the Bankruptcy Code authorize a debtor in possession to continue to operate its business. 11 U.S.C. §§ 1107(a), 1108. Indeed, a debtor in

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<sup>5</sup> Nothing in this Motion should be construed as an assumption of any executory contract or unexpired lease between the Debtors and any other party, nor should it be construed as a rejection of any executory contract or unexpired leases. The Debtors reserve their rights to contest the amount claimed to be due by any person or entity.

possession operating a business under section 1108 of the Bankruptcy Code has a duty to protect and preserve the value of its business. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002).

16. To supplement these explicit powers, section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

17. The relief sought by this Motion is appropriate under each of the foregoing standards. The Debtors submit that continuing to maintain the Insurance Program and the Surety Bonds in the ordinary course of business is justified because each is necessary to preserve the Debtors’ estates. In light of the importance of maintaining insurance coverage with respect to their business activities, the Debtors believe that it is in the best interest of their estates to maintain the Policies, as well as to revise, extend, supplement, or change insurance coverage, as necessary, pursuant to section 363(b)(1) of the Bankruptcy Code. In the absence of the insurance coverage provided by the Policies, the Debtors’ estates could be exposed to significant liabilities, and considerable administrative and financial burdens could be imposed on the Debtors. Additionally, the Debtors could be rendered non-compliant with the U.S. Trustee’s requirement that debtors maintain insurance coverage during these Chapter 11 Cases.

**BANKRUPTCY RULE 6003 HAS BEEN SATISFIED  
AND BANKRUPTCY RULE 6004 SHOULD BE WAIVED**

18. Under Bankruptcy Rule 6003, the Court may grant a motion to “use . . . property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” within 21 days after the commencement of a chapter 11 case to the extent “relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the success of these Chapter 11

Cases. As discussed in detail above and demonstrated by the First Day Declaration, immediate and irreparable harm would result if the relief herein is not granted. Any disruption of the Insurance Program and the Surety Bonds would substantially diminish or impair the Debtors' efforts in these Chapter 11 Cases to preserve and maximize the value of their estates. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this Motion on an emergency basis.

19. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As described above, the relief sought herein is necessary for the Debtors to operate their business without interruption, thereby preserving value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

### **RESERVATION OF RIGHTS**

20. Nothing in this Motion shall be deemed: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity, or perfection or seek avoidance of all such liens are expressly reserved); (f) a request or authorization to assume,



adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (h) a waiver of the obligation of any party in interest to file a proof of claim; or (i) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

### **NOTICE**

21. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to Wells Fargo Bank, N.A. as Prepetition ABL Administrative Agent; (c) counsel to Pathlight Capital LP as Prepetition Term Loan Agent; (d) counsel to Simon Blackjack Consolidated Holdings, LLC as Prepetition Subordinated Loan Agent; (e) the creditors listed on the Debtors' consolidated list of thirty (30) creditors holding the largest unsecured claims against the Debtors; (f) the Banks; (g) the Insurance Carriers and Sureties; (h) the Broker; (i) the United States Attorney for the District of Delaware; (j) the Internal Revenue Service; (k) the state attorneys general for states in which the Debtors conduct business; and (l) all parties entitled to notice pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtors submit that, under the circumstances, no other or further notice is required.

[Remainder of page intentionally left blank.]

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Orders granting the relief requested in this Motion and such other and further relief as may be just and proper.

Dated: March 17, 2025

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

**Proposed Interim Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

F21 OPCO, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10469 (\_\_\_\_)

(Jointly Administered)

Ref: Docket No. \_\_\_\_

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE  
(A) TO MAINTAIN PREPETITION INSURANCE POLICIES;  
(B) TO MAINTAIN PREPETITION SURETY BONDS; AND (C) TO USE  
THE SERVICES OF THE BROKER; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for entry of an interim order (this “**Interim Order**”) (i) authorizing the Debtors, in the ordinary course of business, as needed, to continue (a) to maintain and administer prepetition insurance Policies and revise, extend, renew, supplement, or change such Policies (including through obtaining “tail” coverage), (b) to maintain, extend, renew, supplement, and/or modify prepetition Surety Bonds, and (c) to use the services of the Broker, and (ii) granting related relief, all as more fully set forth in the Motion; and this Court having reviewed the Motion and the First Day Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: F21 OpCo, LLC (8773); F21 Puerto Rico, LLC (5906); F21 GiftCo Management, LLC (6412). The Debtors’ address for purposes of service in these Chapter 11 Cases is 110 East 9th Street, Suite A500, Los Angeles, CA 90079.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. The Debtors are authorized, but not directed, in the ordinary course of business, as necessary, to (a) continue to maintain and perform under their Insurance Program, (b) revise, extend, renew, supplement, or change the Policies or enter into new policies (including through obtaining “tail” coverage) and maintain, extend, renew, supplement, and/or modify the Surety Bonds, and (c) continue to use the services of the Broker.
3. All objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.
4. The final hearing (the “**Final Hearing**”) on the Motion shall be held on [\_\_\_\_\_, 2025, at \_\_:\_\_.m] (prevailing Eastern Time). On or before [\_\_:\_\_.m.] (prevailing Eastern Time) on [\_\_\_\_\_, 2025], any objections or responses to entry of a final order on the Motion shall be filed with this Court and served on: (a) the Debtors, 110 East 9th Street, Suite A500, Los Angeles, CA 90079, Attn: Michael Brown (mbrown@thinkbrg.com); (b) the Debtors’ proposed counsel, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Andrew L. Magaziner, Esq. (amagaziner@ycst.com) and S. Alexander Faris, Esq. (afaris@ycst.com); (c) counsel to Wells Fargo Bank, N.A. in its capacity as

Prepetition ABL Administrative Agent, Otterbourg P.C., 230 Park Avenue, New York, NY 10169, Attn: Chad Simon, Esq. (csimon@otterbourg.com) and Daniel Fiorillo, Esq. (dfiorillo@otterbourg.com); (d) counsel to Pathlight Capital LP in its capacity as Prepetition Term Loan Agent, Riemer & Braunstein LLP, Times Square Tower, Suite 2506, Seven Times Square, New York, NY 10036, Attn: Steven E. Fox, Esq. (sfox@riemerlaw.com) and Paul D. Bekker, Esq. (pbekker@riemerlaw.com); (e) counsel to Simon Blackjack Consolidated Holdings, LLC in its capacity as Prepetition Subordinated Loan Agent, (i) Choate Hall & Stewart LLP, Two International Place, Boston, MA 02110, Attn: Mark D. Silva, Esq. (msilva@choate.com), Rick Thide, Esq. (rthide@choate.com), and Hampton Foushee, Esq. (hfoushee@choate.com); and (ii) Pashman Stein Walder Hayden, P.C., 824 North Market Street, Suite 800, Wilmington, DE 19801, Attn: Joseph C. Barsalona, Esq. (jbarsalona@pashmanstein.com); and (f) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801, Attn: Jane M. Leamy, Esq. (jane.m.leafy@usdoj.gov). In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the Final Hearing.

5. Nothing in the Motion or this Interim Order, or the relief granted herein (including any actions taken by the Debtors), is to be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion; (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity or perfection

or seek avoidance of all such liens are expressly reserved); (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (h) a waiver of the obligation of any party in interest to file a proof of claim; or (i) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law. Nothing contained in this Interim Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

6. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

7. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied because the relief set forth in this Interim Order is necessary to avoid immediate and irreparable harm.

8. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Interim Order.

9. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation or enforcement of this Interim Order.

**EXHIBIT B**

**Proposed Final Order**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

F21 OPCO, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10469 (\_\_\_)

(Jointly Administered)

Ref: Docket Nos. \_\_\_ & \_\_\_

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE (A) TO  
MAINTAIN PREPETITION INSURANCE POLICIES; (B) TO MAINTAIN  
PREPETITION SURETY BONDS; AND (C) TO USE THE SERVICES  
OF THE BROKER; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for entry of a final order (this “**Final Order**”) (i) authorizing the Debtors, in the ordinary course of business, as needed, to continue (a) to maintain and administer prepetition insurance Policies and revise, extend, renew, supplement, or change such Policies (including through obtaining “tail” coverage), (b) to maintain, extend, renew, supplement, and/or modify prepetition Surety Bonds, and (c) to use the services of the Broker, and (ii) granting related relief, all as more fully set forth in the Motion; and this Court having reviewed the Motion and the First Day Declaration; and this Court having previously entered that certain *Interim Order (I) Authorizing the Debtors to Continue (A) to Maintain Prepetition Insurance Policies; (B) to Maintain Prepetition Surety Bonds; and (C) to Use the Services of the Broker; and (II) Granting Related Relief* (the “**Interim Order**”) [D.I. \_\_\_]; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: F21 OpCo, LLC (8773); F21 Puerto Rico, LLC (5906); F21 GiftCo Management, LLC (6412). The Debtors’ address for purposes of service in these Chapter 11 Cases is 110 East 9th Street, Suite A500, Los Angeles, CA 90079.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED on a final basis, as set forth herein.
2. The Debtors are authorized, but not directed, in the ordinary course of business, as necessary, to (a) continue to maintain and perform under their Insurance Program, (b) revise, extend, renew, supplement, or change the Policies or enter into new policies (including through obtaining “tail” coverage) and maintain, extend, renew, supplement, and/or modify the Surety Bonds, and (c) continue to use the services of the Broker.
3. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
4. Nothing in the Motion, the Interim Order, or this Final Order, or the relief granted herein (including any actions taken by the Debtors), is to be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors’ or any other

party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion; (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion are valid (and all rights to contest the extent, validity or perfection or seek avoidance of all such liens are expressly reserved); (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (h) a waiver of the obligation of any party in interest to file a proof of claim; or (i) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law. Nothing contained in this Final Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

5. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

6. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Final Order.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation or enforcement of this Final Order.

**EXHIBIT C**

**Insurance Schedule**

Policy Type	Insurance Carrier	Policy Number	Policy Term	Debtors' Share of Annual Premium
Auto	AIG	728-11-44	2/1/25-2/1/26	\$ 59,901.16
General Liability	AIG	6547046	2/1/25-2/1/26	\$ 1,695,564.00
General Liability Puerto Rico	AIG	005-1003079-03	2/1/25-2/1/26	\$ 31,368.00
International Package	AIG	WS11021790	2/1/25-2/1/26	\$ 10,867.50
Cyber	Beazley AXA XL AWAC Westfield Ascot Insurance Company Emergin Risk	V34530240201 MTE9045983 01 0313-2451 XCO-294986R-01 EOXS2410001283-03 EIRX169010	3/1/24 -3/31/25	\$ 845,932.00
Adwrap	Arch Arch Arch Arch Arch Axis Chubb	UST035499250 UST035498250 UST032861251 UST023050240 HFC1000251-00 P-001-001582305-01 99124893	3/2/25-3/2/26	\$ 1,072.50
Crime	AXA XL	ELU202146-25	2/1/25-2/1/26	\$ 13,155.67
D&O	AIG	03-817-90-39	12/19/24 – 12/19/25	\$ 4,162.50
D&O (tail)	AIG Wesco Insurance Company Berkley Insurance Company Berkshire Hathaway Specialty Insurance Company ACE American Insurance Company Freedom Specialty Insurance Company	023171977 EUW184330403 BPRO8104728 47EMC32660002 G7110784A002 XMF2410504	12/19/24-12/19/30	\$ 70,236.98
Employment Practices Liability	AIG Sompo	03-817-90-36 EPX30031353502	2/1/25-2/1/26	\$ 197,475.56
Fiduciary	Travelers Endurance American Everest Old Republic Allianz	106639100 FLX30001433405 PC8EX00153-251 ORPRO 14 101201 USF01055225	2/1/25-2/1/26	\$ 20,960.00
Ocean Cargo	Starr Falvey Lloyd's	MASICCH2022US25 2000022 UMR B0509MARCW2550049	2/1/25-2/1/26	\$ 127,265.10
Property/ all risk	FM Global Lloyds of London General Security Indemnity Company of Arizona Old Republic Union Insurance Company Steadfast Insurance Company MS Transverse Specialty Insurance Company	1146675 B0509BOWTN2550055 TR0001486-18730-25 ORARIM002214-00 BPP8587377 TSAHDC0002269-01	2/1/25-2/1/26	\$ 2,344,830.08
Business Travel Accident	AIG	GTP 0009162149	2/1/25-2/1/26	\$ 2,536.33
Umbrella	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	BE025717144	2/1/25-2/1/26	\$ 149,658.53
Excess Liability	Fireman's Fund Insurance Company (Arch) XL Insurance America, Inc. Navigators Insurance Company The Continental Insurance Company	USC034951252 US00125974LI25A NY25MXEZ0DBQBIV 7064150530	2/1/25-2/1/26	\$ 155,950.31

**EXHIBIT D**

**List of Surety Bonds**

Bond Number	Obligee	Face Value	Annual Premium	Expiration Date	Surety Writing Company
200716012	U.S. Customs and Border Protection	\$ 2,500,000.00	\$ 20,000.00	08/03/2025	Nationwide Mutual Insurance Company
7901023288	Niagara Mohawk Power Corporation dba National Grid	\$ 45,830.00	\$ 367.00	02/01/2026	Nationwide Mutual Insurance Company
7901023289	Public Service Company dba Xcel Energy	\$ 10,209.00	\$ 100.00	02/01/2026	Nationwide Mutual Insurance Company
7901023290	Tucson Electric Power Company	\$ 46,430.00	\$ 371.00	02/01/2026	Nationwide Mutual Insurance Company
7901023291	Tucson Electric Power Company	\$ 16,015.00	\$ 128.00	02/01/2026	Nationwide Mutual Insurance Company
7901023292	Braintree Electric Light Company	\$ 18,000.00	\$ 144.00	02/07/2026	Nationwide Mutual Insurance Company
7901023293	PSGLI	\$ 82,117.00	\$ 657.00	02/17/2026	Nationwide Mutual Insurance Company
7901023294	Duke Energy Carolinas, LLC	\$ 11,630.00	\$ 100.00	03/02/2026	Nationwide Mutual Insurance Company
7901023295	Duke Energy Florida, LLC	\$ 31,875.00	\$ 255.00	03/02/2026	Nationwide Mutual Insurance Company
7901023296	Dominion Energy South Carolina, Inc.	\$ 11,400.00	\$ 100.00	03/21/2026	Nationwide Mutual Insurance Company
7901023297	Southern California Edison	\$ 487,450.00	\$ 3,900.00	04/26/2025	Nationwide Mutual Insurance Company
7901023298	Pacific Gas and Electric	\$ 50,773.00	\$ 406.00	09/06/2025	Nationwide Mutual Insurance Company
SNN4008471	Florida Power and Light Company	\$ 101,338.00	\$ 811.00	12/29/2025	Nationwide Mutual Insurance Company
SNN4008472	JEA	\$ 34,759.00	\$ 278.00	01/25/2026	Nationwide Mutual Insurance Company
SNN4008473	Riverside Public Utilities	\$ 40,000.00	\$ 320.00	01/24/2026	Nationwide Mutual Insurance Company