

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

F21 OPCO, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10469 (MFW)

(Jointly Administered)

Ref: Docket No. 5

**INTERIM ORDER (I) (A) PROHIBITING UTILITY COMPANIES FROM
DISCONTINUING, ALTERING, OR REFUSING SERVICE,
(B) DEEMING UTILITY COMPANIES TO HAVE ADEQUATE
ASSURANCE OF FUTURE PAYMENT, (C) ESTABLISHING PROCEDURES
FOR RESOLVING REQUESTS FOR ADDITIONAL ASSURANCE,
AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an interim order (this “**Interim Order**”) (a) prohibiting utility companies from discontinuing, altering, or refusing service to the Debtors on account of unpaid prepetition invoices; (b) deeming the utility companies to have received adequate assurance of future payment; (c) establishing procedures for resolving requests for additional assurance of future payment; and (d) 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)

¹ 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); and 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.

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



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 an interim basis, as set forth herein.
2. No later than 20 days after the Petition Date, the Debtors shall cause the Utility Deposit to be deposited into a segregated account and held during the pendency of these Chapter 11 Cases, subject to the procedures approved hereby, which Utility Deposit shall not be subject to any liens granted to the Debtors' post-petition lender(s) under any order entered by this Court authorizing the Debtors' use of cash collateral.
3. The Utility Deposit shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.
4. The following Adequate Assurance Procedures are hereby approved on an interim basis:
 - i. Any Utility Company that objects to the Adequate Assurance must serve a request (an "**Adequate Assurance Request**") on (a) proposed counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: S. Alexander Faris, Esq. (afaris@ycst.com) and Sarah Gawrysiak, Esq. (sgawrysiak@ycst.com); (b) 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); (c) 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 (d) counsel to any statutory committee appointed in these Chapter 11 Cases (collectively, the “**Notice Parties**”).

- ii. Any Adequate Assurance Request must be served on the Notice Parties and must: (a) be made in writing; (b) identify the location for which Utility Services are provided; and (c) explain why the Utility Company believes that the Adequate Assurance is not sufficient adequate assurance of future payment.
- iii. Upon the Debtors’ receipt of any Adequate Assurance Request, the Debtors shall promptly negotiate with the requesting Utility Company in an effort to resolve its Adequate Assurance Request.
- iv. The Debtors are authorized to resolve, in their sole discretion, any Adequate Assurance Request by mutual agreement with a Utility Company and without further order of this Court and, in connection with any such agreement, in their sole discretion, provide a Utility Company with alternative adequate assurance of payment, including cash deposits, prepayments, or other forms of security, without further order of this Court, if the Debtors believe such alternative assurance is reasonable.
- v. If the Debtors determine that a timely received Adequate Assurance Request is not reasonable and are unable to reach an alternative resolution with the applicable Utility Company, the Debtors shall request a hearing before the Court to determine the adequacy of assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code (the “**Determination Hearing**”). Pending resolution of such Adequate Assurance Request at the Determination Hearing, the Utility Company shall be prohibited from altering, refusing, or discontinuing services to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Adequate Assurance.

5. The Utility Companies that have received notice, and for whose benefit Utility Deposits are being made, are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

6. All Utility Companies that have received notice, and for whose benefit Utility Deposits are being made, that do not serve an Adequate Assurance Request shall be: (a) deemed to have received adequate assurance of payment “satisfactory” to such Utility Company in compliance with section 366 of the Bankruptcy Code; and (b) prohibited from discontinuing, altering, or refusing services to, or discriminating against, the Debtors on account of any unpaid

prepetition charges, or requiring additional assurance of payment other than the Adequate Assurance.

7. The Debtors are authorized, in their sole discretion, to add any Utility Company to the Utility Services List, and the Debtors shall add an amount equal to 50% of the Debtors' estimated monthly cost for each subsequently-added Utility Company as soon as practicable. For Utility Companies that are added to the Utility Services List, the Debtors will serve a copy of this Interim Order, including the Adequate Assurance Procedures, on such subsequently-added Utility Company. Any Utility Company subsequently added to the Utility Services List shall be bound by the Adequate Assurance Procedures, provided that any subsequently-added Utility Company must serve on the Notice Parties, any Adequate Assurance Request.

8. If any utility account with a Utility Company becomes discontinued or terminated during the course of these Chapter 11 Cases, or to the extent the Debtors determine, in their sole discretion, that a Utility Company should otherwise be removed from the Utility Services List, then without the need for further order of this Court or notice to any parties except as otherwise provided herein, the Debtors shall be authorized to decrease the amount of the Utility Deposit by the amount deposited with respect to such account or such Utility Company, as applicable, provided that the Debtors (i) obtain the affected Utility Company's consent to do so, or (ii) provide the affected Utility Company with seven days' prior written notice of their intent to do so (which notice may be via e-mail) and receive no response to such notice. Upon the earlier of the effective date of a chapter 11 plan in these Chapter 11 Cases or such other time as these Chapter 11 Cases may be closed, the Debtors shall be relieved of the obligation to maintain the Utility Deposit without the need for any further notice or action, order or approval of this Court.

9. The Debtors are authorized to satisfy prepetition amounts owed to the Aggregator, in an amount not to exceed \$10,000, in the ordinary course of business.

10. The final hearing (the “**Final Hearing**”) on the Motion shall be held on April 15, 2025, at 2:00 p.m. (prevailing Eastern Time). On or before 4:00 p.m. (prevailing Eastern Time) on April 8, 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.leamy@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.

11. Nothing in the Motion or this Interim Order, or the relief granted herein (including any actions taken or payments made 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.

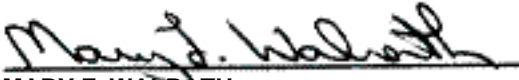
12. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

13. 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.

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

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

Dated: March 18th, 2025
Wilmington, Delaware


MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE