

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. 12

**INTERIM ORDER (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**

Upon the motion (the "**Motion**")² of the Debtors for entry of an interim order (this "**Interim Order**"), (a) authorizing the Debtors to, in accordance with their stated policies and in their discretion, (i) pay, honor, or otherwise satisfy certain of the Employee Obligations, including amounts and obligations related to the period prior to the Petition Date, and continue certain of their Employee Benefits in the ordinary course of business, and (ii) continue the Store Closing Retention Bonus Program and pay amounts related thereto to Retained Store Level Employees; (b) authorizing the Debtors to continue the Workers' Compensation Program and honor obligations related thereto, regardless of when accrued; (c) authorizing the Banks to honor and process related checks and electronic transfers; 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

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); 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.



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 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. Upon entry of this Interim Order, the Debtors are authorized, but not directed, to pay (including to SPARC and any third parties that provide or aid in the monitoring, processing or administration of the Employee Obligations) and/or honor, in their sole discretion, the Employee Obligations as and when such obligations are due, in an amount not to exceed \$10.5 million in the aggregate on an interim basis; *provided, however*, that notwithstanding any other provision of this Interim Order, no payments to any Employee shall exceed the Statutory Cap set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code unless such amounts above the Statutory Cap are a result of cash payments for unpaid amounts under the Paid Time Off, Other Leave Policies, or severance payments that are required under applicable state law.
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 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.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. Subject to paragraph 2 of this Interim Order, the Debtors are authorized, but not

32977517.2 directed, in their sole discretion, to honor and continue the Employee Benefits that were in effect

as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Benefits under section 365(a) of the Bankruptcy Code; *provided, further*, that the Debtors shall seek court approval, upon a motion on notice, of any modification that would implicate any portion of section 503(c) of the Bankruptcy Code.

6. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program in the ordinary course of business and in accordance with the Debtors' prepetition policies and programs, and to pay any workers' compensation claims, deductibles, retentions, premiums, and other amounts required in connection with the Workers Compensation Program as such amounts become due in the ordinary course during the pendency of these Chapter 11 Cases, regardless of when accrued.

7. The Debtors are authorized, but not directed, to continue the Store Closing Retention Bonus Program in the ordinary course of business and in accordance with the program offered to applicable Employees prior to the Petition Date; *provided, however*, that no individual Retained Store Level Employee will receive payment in excess of \$9,000.00 on account of the Store Closing Retention Bonus Program during the pendency of these Chapter 11 Cases, and no "insiders" shall receive compensation under such program absent further order of this Court.

8. The Debtors may pay and remit any and all Trust Fund Taxes, whether these relate to the period prior to or after the Petition Date.

9. The Debtors are authorized to maintain the Corporate Cards in the ordinary course of business.

10. Nothing in the Motion or this Interim Order (including any actions taken or payments made by the Debtors pursuant thereof), 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 32977517.2 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

11. The Banks shall be, and are, hereby authorized, when requested by the Debtors, to process, honor, pay, and, if necessary, reissue any and all checks or electronic funds transfers, including prepetition checks and electronic payment and transfer requests that the Debtors reissue or re-request postpetition, drawn on the Debtors' accounts, whether those checks were presented before or after the Petition Date, provided that sufficient funds are available in such accounts to make the payments.

12. The Banks may rely on the Debtors' representations with respect to whether any check or other transfer drawn or issued by the Debtors before the Petition Date should be honored pursuant to this Interim Order, and the Banks shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Interim Order.

13. The Debtors are authorized, but not directed, to issue new postpetition checks, or

32977517.2 effect new electronic funds transfers, and to replace any prepetition checks or electronic fund

transfer requests that may be lost or dishonored as a result of the commencement of these Chapter 11 Cases.

14. Nothing in this Interim Order shall be construed as binding on this Court or any other party-in-interest, or to establish the law of the case, with respect to whether an individual is or is not an insider within the meaning of section 101(31) of the Bankruptcy Code.

15. Nothing in this Interim Order shall authorize the Debtors to make any payments to or on behalf of “insiders” (as defined by section 101(31) of the Bankruptcy Code) that would be subject to section 503(c) of the Bankruptcy Code.

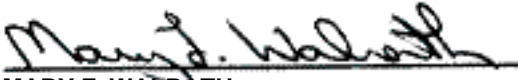
16. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

17. 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.

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

19. 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

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