

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)

Objection Deadline: June 27, 2025 at 4:00 p.m. (ET)

Hearing Date: July 8, 2025 at 11:30 a.m. (ET)

**DEBTORS' MOTION FOR AN ORDER, PURSUANT TO SECTION 365(d)(4) OF
THE BANKRUPTCY CODE, EXTENDING THE DEADLINE BY WHICH THE
DEBTORS MUST ASSUME OR REJECT UNEXPIRED LEASES OF
NON-RESIDENTIAL REAL PROPERTY UNDER WHICH
ANY OF THE DEBTORS ARE LESSEES**

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 an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), granting the Debtors a ninety (90)-day extension, through and including October 13, 2025, of the statutory deadline for the Debtors to assume or reject each of the leases, subleases, and other agreements under which any of the Debtors is a lessee and that may be considered unexpired leases of non-residential real property under applicable law (collectively, the “**Real Property Leases**”). In support of this Motion, the Debtors respectfully state as follows:

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.



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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 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 legal predicate for the relief requested herein is section 365(d)(4) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”).

BACKGROUND

4. On March 16, 2025 (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. On March 26, 2025, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Committee**”) [D.I. 115]. No trustee or examiner has been requested 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 *Declaration of Stephen Coulombe in Support of Chapter 11 Petitions and First Day Pleadings* [D.I. 2].

RELIEF REQUESTED

6. Pursuant to section 365(d)(4) of the Bankruptcy Code, debtors have an initial 120-day period following the filing of a bankruptcy petition in which to elect to assume or reject unexpired leases of non-residential real property under which any of the debtors is a lessee. *See* 11 U.S.C. § 365(d)(4). Section 365(d)(4)(B) of the Bankruptcy Code provides, however, that, upon a motion by the debtors, the Court may extend the initial 120-day deadline by ninety (90) days “for cause.” 11 U.S.C. § 365(d)(4)(B). Any subsequent extensions of the deadline to assume or reject unexpired leases of non-residential real property under which any of the debtors is a lessee may only be granted with the prior written consent of the affected lessors. 11 U.S.C. § 365(d)(4)(B)(ii). Under section 365(d)(4) of the Bankruptcy Code, if the debtors fail to assume or reject an unexpired lease of non-residential real property under which any of the debtors is a lessee prior to the applicable deadline, such lease will automatically be deemed rejected. 11 U.S.C. § 365(d)(4)(A).

7. Pursuant to section 365(d)(4) of the Bankruptcy Code, the Debtors initially have until July 14, 2025, to assume or reject any Real Property Leases (the “**Assumption and Rejection Period**”).

8. By this Motion, the Debtors request that the Court enter the Proposed Order, extending the Assumption and Rejection Period by ninety (90) days, through and including October 13, 2025,² pursuant to section 365(d)(4) of the Bankruptcy Code. Pursuant to section

² Ninety days from the current Assumption and Rejection Period is Sunday, October 12, 2025. Accordingly, pursuant to Bankruptcy Rule 9006(a)(1)(C), the requested extension of the current Assumption and Rejection Period would be to Monday, October 13, 2025.

365(d)(4)(B)(ii) of the Bankruptcy Code, such an extension would be without prejudice to the Debtors' rights to request a further extension of the Assumption and Rejection Period with the consent of the affected lessors.

BASIS FOR RELIEF

9. The Debtors submit that extending the Assumption and Rejection Period is essential and in the best interests of the Debtors, their estates, and their creditors. Although the Debtors likely will have disposed of all Real Property Leases by the expiration of the current Assumption and Rejection Period, the Debtors nevertheless seek, out of an abundance of caution, additional time to determine whether any remaining Real Property Leases should ultimately be assumed or rejected. The requested extension of the Assumption and Rejection Period is consistent with the goals of the Bankruptcy Code and will not unduly prejudice any lessors under any Real Property Leases (collectively, the "**Lessors**").

10. Since the Petition Date, the Debtors' management and professional advisors have devoted substantial time and effort towards maximizing the value of their estates for the benefit of all stakeholders. Over the past two months, the Debtors have, among other things: (a) complied with U.S. Trustee reporting requirements, including by filing their Rule 2015.3 report [D.I. 237]; (b) obtained entry of a bar date order [D.I. 145] establishing deadlines for submitting proofs of claim and provided notice thereof to all parties; (c) filed the *Debtors' Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* (the "**Plan**") [D.I. 123] and two amended versions of the Plan [D.I. 311, and 426]; (d) filed the *Disclosure Statement for Debtors' Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* (as amended, supplemented, or modified, the "**Disclosure Statement**") [D.I. 124, 312] (e) obtained entry of an order approving the Disclosure Statement [D.I. 335] and commenced solicitation of the Plan; (f) retained professionals; (g) worked with the U.S. Trustee and the Committee on various matters, including responding to various diligence requests; (h)

responded to various creditor inquiries; and (i) handled various other tasks related to the administration of the Debtors' estates and these Chapter 11 Cases. Additionally, the Debtors have filed seven (7) motions to reject (the "**Rejection Motions**"), among other things, nonresidential real property leases which encompass all of the Debtors' store leases and their distribution center lease. The Court has entered orders approving six of the Rejection Motions, and the seventh Rejection Motion is currently pending. The Debtors believe that the lease for their headquarters is the only remaining Real Property Lease, and they are currently negotiating with the Lessor for their headquarters lease on its appropriate disposition. The Debtors expect those negotiations to conclude in the near term.

11. As highlighted above, the Debtors have labored to preserve and maximize the value of the Debtors' estates for the benefit of all stakeholders. The Debtors continue to do so, and that includes analyzing their assets, including any Real Property Leases. The Debtors file this Motion out of an abundance of caution to preserve the rights of the Debtors and their estates to assume and assign, or reject, any remaining Real Property Leases to maximize value for their stakeholders.

12. The Third Circuit Court of Appeals has recognized that "nothing prevents a bankruptcy court from granting an extension because a particular debtor needs additional time to determine whether the assumption or rejection of particular leases is called for by the plan of reorganization that it is attempting to develop." *In re Channel Home Ctrs., Inc.*, 989 F.2d 682, 689 (3d Cir. 1993). As the bankruptcy court in one frequently cited decision observed, there are essentially three factors that are weighed by the courts in determining whether cause exists to extend the deadline to assume or reject unexpired leases of non-residential real property:

- (i) whether the leases are an important asset of the estate such that the decision to assume or reject would be central to any plan of reorganization that may be proposed by the debtors;
- (ii) whether the case is complex and involves large numbers of leases; and

- (iii) whether or not the debtors have had sufficient time to intelligently appraise the value of each lease for purposes of a plan of reorganization.

In re Wedtech Corp., 72 B.R. 464, 471-72 (Bankr. S.D.N.Y. 1987); accord *Channel Home Ctrs.*, 989 F.2d at 689 (noting that “it is permissible for a bankruptcy court to consider a particular debtor’s need for more time in order to analyze leases in light of the plan it is formulating”).

13. The Debtors submit that the *Wedtech* factors are satisfied in these Chapter 11 Cases. First, until the Debtors, in their business judgment, determine otherwise, any Real Property Leases are a potentially important asset of the Debtors’ estates, and therefore the decision to assume or reject any Real Property Leases is necessarily of central importance to the Debtors’ efforts to preserve and maximize the value of their estates for the benefit of all stakeholders. As a result, the Debtors must be afforded sufficient time to determine which of any Real Property Leases should be assumed.

14. Moreover, as set forth above, the Debtors have devoted a significant amount of time, energy, and resources to tasks other than evaluating any Real Property Leases, and therefore an extension of the Assumption and Rejection Period is necessary to allow the Debtors sufficient time to fully evaluate all of the Real Property Leases.

15. Given the inherent fluidity in these Chapter 11 Cases, circumstances may arise during the pendency of these Chapter 11 Cases that would cause the Debtors to re-evaluate the need to continue leasing a particular property. In the absence of an extension of the Assumption and Rejection Period, the Debtors would be prematurely forced to assume Real Property Leases that may later prove to be burdensome, which could give rise to unnecessary administrative expense claims against the Debtors’ estates and jeopardize the Debtors’ ability to successfully prosecute the Chapter 11 Cases. Alternatively, the Debtors could be prematurely forced to reject certain Real Property Leases that ultimately could have benefited the Debtors’ estates. Among

other things, the extension requested herein will decrease the risk of such negative outcomes for the Debtors' estates, and will therefore benefit all stakeholders.

16. Furthermore, there should be no prejudice to the Lessors as a result of the requested extension of the Assumption and Rejection Period. Pending their election to assume or reject any Real Property Leases, the Debtors will perform their undisputed obligations arising from and after the Petition Date in a timely fashion and as required by the Bankruptcy Code. As a result, the requested extension through will afford the Debtors the opportunity to preserve and maximize estate value, without prejudicing the rights of the Lessors.

NOTICE

17. Notice of this Motion will be given to: (a) the U.S. Trustee; (b) counsel to Wells Fargo Bank, N.A. as Prepetition ABL Administrative Agent; (c) counsel to Pathlight Capital as Prepetition Term Loan Agent; (d) counsel to Simon Blackjack Consolidated Holdings, LLC as Prepetition Subordinated Loan Agent; (e) counsel to the Committee; (f) the counterparties to the Real Property Leases; and (g) all parties entitled to notice pursuant to Bankruptcy Rule 2002 as of the filing of this Motion. The Debtors submit that, under the circumstances, no other or further notice of this Motion is required.

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

Dated: June 13, 2025

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Sarah Gawrysiak

Andrew L. Magaziner (No. 5426)

Robert F. Poppiti, Jr. (No. 5052)

Ashley E. Jacobs (No. 5635)

S. Alexander Faris (No. 6278)

Kristin L. McElroy (No. 6871)

Andrew M. Lee (No. 7078)

Sarah Gawrysiak (No. 7403)

Rodney Square

1000 North King Street

Wilmington, DE 19801

Telephone: (302) 571-6600

Email: amagaziner@ycst.com

rpoppiti@ycst.com

ajacobs@ycst.com

afaris@ycst.com

kmcelroy@ycst.com

alee@ycst.com

sgawrysiak@ycst.com

Counsel to the Debtors and Debtors in Possession

**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)

Hearing Date: July 8, 2025 at 11:30 a.m. (ET)

Objection Deadline: June 27, 2025 at 4:00 p.m. (ET)

NOTICE OF MOTION

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) have filed the *Debtors’ Motion for an Order, Pursuant to Section 365(d)(4) of the Bankruptcy Code, Extending the Deadline By Which the Debtors Must Assume or Reject Unexpired Leases of Non-Residential Real Property Under Which Any of the Debtors are Lessees* (the “**Motion**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion must be filed on or before **June 27, 2025 at 4:00 p.m. (ET)** (the “**Objection Deadline**”) with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON JULY 8, 2025 AT 11:30 A.M. (ET) BEFORE THE HONORABLE MARY F. WALRATH, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, COURTROOM NO. 4, WILMINGTON.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS OR RESPONSES TO THE MOTION ARE TIMELY FILED, SERVED, AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR A HEARING.

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.

Dated: June 13, 2025

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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Andrew M. Lee (No. 7078)

Sarah Gawrysiak (No. 7403)

Rodney Square

1000 North King Street

Wilmington, DE 19801

Telephone: (302) 571-6600

Email: amagaziner@ycst.com

rpoppiti@ycst.com

ajacobs@ycst.com

afaris@ycst.com

kmcelroy@ycst.com

alee@ycst.com

sgawrysiak@ycst.com

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Order

**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. ____

**ORDER, PURSUANT TO SECTION 365(d)(4) OF THE BANKRUPTCY
CODE, EXTENDING THE DEADLINE BY WHICH THE DEBTORS MUST ASSUME
OR REJECT UNEXPIRED LEASES OF NON-RESIDENTIAL REAL PROPERTY
UNDER WHICH ANY OF THE DEBTORS ARE LESSEES**

Upon consideration of the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Order**”), pursuant to section 365(d)(4) of the Bankruptcy Code, granting the Debtors an extension, through and including October 13, 2025 of the statutory deadline for the Debtors to assume or reject the Real Property Leases; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and 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 due and sufficient notice of the Motion has been given under the particular circumstances; and it appearing that no other or further notice is necessary; and this

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 them in the Motion.

Court having reviewed the Motion; and upon the record of these Chapter 11 Cases; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and upon all of the proceedings had before this Court; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to section 365(d)(4) of the Bankruptcy Code, the deadline under section 365(d)(4) of the Bankruptcy Code for the Debtors to assume or reject the Real Property Leases is hereby extended through and including October 13, 2025 (the “**Extended Assumption and Rejection Period**”).
3. This Order shall be without prejudice to the rights of the Debtors and their estates to seek an extension of the Extended Assumption and Rejection Period with the consent of an affected Lessor(s).
4. To the extent that the Debtors and any Lessor to a Real Property Leases agree to a further extension of the time by which the Debtors must assume or reject an applicable Real Property Lease, the Debtors may submit to this Court a consensual form of order approving such further extension, pursuant to section 365(d)(4)(B)(ii) of the Bankruptcy Code, under certification of counsel without the need for further notice or hearing.
5. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.