

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
F21 OPCO, LLC, *et al.*,¹ : Case No. 25-10469 (MFW)
Debtors. : (Jointly Administered)
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APPLICATION AND REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSES
BY SIMON PROPERTY GROUP

Simon Property Group, Inc., for itself and on behalf of its related entities (collectively, “*Simon*”) hereby submits this application and request for payment of administrative expenses (this “*Application*”) arising under leases between Simon and the above-captioned debtors and debtors in possession (the “*Debtors*”). In support of this Application, Simon respectfully states as follows:

RELIEF REQUESTED

1. Simon seeks entry of an order, substantially in the form attached hereto as **Exhibit A**, allowing and directing prompt payment of the Administrative Claims (as defined below).

JURISDICTION AND VENUE

2. The Court has jurisdiction to consider this matter pursuant to 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.

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.



3. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), Simon consents to the entry of a final order by the Court in connection with this Application to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory and legal predicate for the relief requested herein is section 503(b)(1) of title 11 of the United States Code (the “**Bankruptcy Code**”).

BACKGROUND

6. On June 24, 2025, the Court confirmed the *Debtors’ Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* (the “**Plan**”) with its *Findings of Fact, Conclusions of Law, and Order Confirming the Debtors’ Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 493] (the “**Confirmation Order**”). On June 30, 2025, the Plan became effective [D.I. 514]. Accordingly, under the Plan and Confirmation Order, the deadline for parties to file applications and requests for payment of administrative expense claims is July 30, 2025. Simon submits this Application accordingly.

7. Simon was one of the Debtors’ most significant landlords, holding 109 leases with the Debtors as of the filing date of March 16, 2025 (the “**Petition Date**”). These leases all were rejected during the course of these cases in the following sequence:

- Seven leases were rejected under the Court’s order of April 8, 2025, with a rejection effective date of March 16, 2025 (the “**Petition Date Rejected Leases**”) [D.I. 165];

- Forty-six (46) leases were rejected under the Court’s orders of April 11, 2025 [D.I. 192] and April 14, 2025 [D.I. 206], with a rejection effective date of March 31, 2025 (the “***March 31 Rejected Leases***”); and
- Fifty-six (56) leases were rejected under the Court’s orders of May 12, 2025 [D.I. 330, 331, 332], with a rejection effective date of April 30, 2025, or otherwise pursuant to the Plan and Confirmation Order (the “***April 30 Rejected Leases***,” and collectively with the March 31 Rejected Leases, the “***Subject Leases***”).

8. All of these leases included “percentage rent,” which is rent due monthly and calculated as a percentage of sales at the applicable store. For the Petition Date Rejected Leases, the Debtors had completed their liquidation sales at those stores as of the Petition Date. Simon does not assert any administrative expense claims under the Petition Date Rejected Leases.

9. On the other hand, liquidation sales continued after the Petition Date at the stores governed by the Subject Leases. For the Subject Leases, then, administrative expense claims accrued for the percentage rent resulting from those liquidation sales from the Petition Date through the effective date of rejection (the “***Administrative Claims***”). These Administrative Claims total \$1,038,149.98, which amount is tabulated on a store-by-store basis in a chart attached hereto as **Exhibit B**. Simon is entitled to full payment of the Administrative Claims in cash under the Plan. *See* Plan, Art. II.A.

ARGUMENT

10. Section 503(b)(1) of the Bankruptcy Code provides, in relevant part, that, “there shall be allowed administrative expenses . . . including . . . the actual, necessary costs and expenses of preserving the estate.” 11 U.S.C. § 503(b)(1)(A). In order to be entitled to administrative claim status, “the claimant must typically show there was a [postpetition] transaction between the claimant and the estate and the expenses yielded a benefit to the estate.” *Ellis v. Westinghouse Elec. Co., LLC*, 11 F.4th 221, 230 (3d Cir. 2021) (internal quotation marks omitted). And in turn,

a debtor's "retaining possession of the [leased] premises, thereby inducing post-petition services from the [landlord], is sufficient...to be a transaction justifying administrative priority." *In re Goody's Family Clothing Inc.*, 610 F.3d 812, 819 (3d Cir. 2010).

11. *Goody's* controls and is perfectly on point. The debtor was a retailer liquidating its inventory in chapter 11. Prepetition, the debtor had skipped its June 1 rent payment (covering the month of June) to the landlords. Then the debtor filed its petition on June 9. While the debtor paid rent in full for July (pursuant to section 365(d)(3) of the Bankruptcy Code, it asserted that it did not owe a full rent payment for the period from June 9 through June 30, and instead those claims should be treated as non-priority. The courts disagreed, including the Third Circuit which ruled that section 503(b)(1) of the Bankruptcy Code affords administrative priority for rent for the postpetition period in which the debtor "continued to occupy the Landlords' properties to conduct store-closing sales." *See id.* at 818.

12. The same facts exist here. The Subject Leases were not rejected as of the Petition Date, and the Debtors occupied the stores and conducted liquidation sales there from the Petition Date through the applicable rejection effective date. Accordingly, under controlling law, there can be no dispute the percentage rent owed to Simon under the Subject Leases during that period is an administrative expense. The Administrative Claims reflect precisely that amount.

NOTICE

13. Notice of this Motion has been provided to the following parties or, in lieu thereof, their counsel: (a) the Plan Administrator and counsel; (b) the U.S. Trustee; and (c) any such other party entitled to receive notice pursuant to Bankruptcy Rule 2002. Simon submits that, under the circumstances, no other or further notice need be provided.

NO PRIOR REQUEST

14. No previous request for the relief sought herein has been made by the Reorganized Debtor to this Court or any other court.

[Remainder of page intentionally left blank.]

WHEREFORE, Simon respectfully requests entry of order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as is just and proper.

Dated: July 30, 2025

Wilmington, Delaware

Respectfully submitted,

/s/ Laurel D. Roglen

Leslie C. Heilman

Laurel D. Roglen

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– and –

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Counsel to Simon Property Group, Inc.

Exhibit A

Proposed Order

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

	X	
	:	
In re	:	Chapter 11
	:	
F21 OPCO, LLC, <i>et al.</i> , ¹	:	Case No. 25-10469 (MFW)
	:	
Debtors.	:	(Jointly Administered)
	X	

**ORDER GRANTING APPLICATION AND REQUEST FOR PAYMENT OF
ADMINISTRATIVE EXPENSES BY SIMON PROPERTY GROUP, INC.**

Upon the application (the “*Application*”)² of Simon for entry of an order (this “*Order*”) granting administrative priority to and directing payment in full of the Administrative Expenses, all as more fully set forth in the Application; 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 as of February 29, 2012; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due, sufficient and proper notice of the Application having been provided under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Application; and upon all

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² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Application.

of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED as set forth herein.
2. All responses and objections not heretofore withdrawn or resolved by this Order are overruled in all respects.
3. The Administrative Claims in the amount of \$1,038,149.98 are hereby allowed as administrative expenses under section 503(b)(1) and shall have priority under section 507(a)(2).
4. The Plan Administrator is directed to remit \$1,038,149.98 to Simon within five (5) business days of entry of this Order.
5. The Plan Administrator and his agents are authorized to take all actions necessary to effectuate the relief granted in this Order.
6. Notwithstanding anything to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon entry.
7. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Exhibit B**Administrative Claims Detail**

Property Name	Rejection Date	Store #	Unit #	Administrative Claim
Battlefield Mall	3/31/2025	0211	S03B	\$12,829.32
Briarwood Mall	3/31/2025	100	D101A	\$7,129.70
Camarillo Premium Outlets	3/31/2025	351	1202A	\$10,927.76
Cape Cod Mall	3/31/2025	335	S160A	\$8,070.79
Castleton Square	3/31/2025	134	1515	\$23,039.11
Chicago Premium Outlets	3/31/2025	2188	0525	\$50,252.45
Columbia Center	3/31/2025	2163	325A	\$53,266.87
Dover Mall	3/31/2025	0451	4004A	\$2,974.60
Empire Mall	3/31/2025	2116	0324	\$5,670.41
Florida Keys Outlet Marketplace	3/31/2025	2190	335A	\$45,811.67
Folsom Premium Outlets	3/31/2025	427	0607	\$4,234.49
Gilroy Premium Outlets	3/31/2025	381	A001	\$5,275.99
Greenwood Park Mall	3/31/2025	417	0G15	\$25,873.28
Grove City Premium Outlets	3/31/2025	2155	1280	\$328.08
Las Vegas North Prem Outlets	3/31/2025	2186	3299	\$29,364.51
Leesburg Premium Outlets	3/31/2025	2191	0841	\$213.30
Lehigh Valley Electric	3/31/2025	269	2087A	\$638.12
Lehigh Valley Mall	3/31/2025	269	2087A	\$16,777.89
Meadowood Mall	3/31/2025	0436	F112	\$21,357.16
Norfolk Premium Outlets	3/31/2025	2157	650	\$12,099.47
North East Mall	3/31/2025	396	0G06B	\$5,049.08
Opry Mills	3/31/2025	414	XHA	\$10,572.04
Orland Square	3/31/2025	235	0D13H	\$3,054.86
Oxford Valley Mall	3/31/2025	141	2012	\$14,027.36
Philadelphia Premium Outlets	3/31/2025	378	0101	\$7,194.83
Pier Park	3/31/2025	421	XD	\$12,100.10
Pocono Premium Outlets	3/31/2025	379	G200	\$4,863.54
Puerto Rico Premium Outlets	3/31/2025	611	915	\$16,359.62
Rio Grande Valley Prem Outlet	3/31/2025	0438	0800A	\$13,368.74
San Francisco Premium Outlets	3/31/2025	0613	1320	\$9,104.25
Seattle Premium Outlets	3/31/2025	437	0924	\$9,947.14
South Hills Village	3/31/2025	0462	2330A	\$9,721.39
Stoneridge Shopping Center	3/31/2025	40	C122A	\$12,023.16
Tacoma Mall	3/31/2025	3534	426B	\$15,155.47
The Mall of New Hampshire	3/31/2025	186	W113A	\$9,216.58
The Outlets at Orange	3/31/2025	295	R011	\$18,991.13
The Shops at Mission Viejo	3/31/2025	3539	126A	\$436.49
The Westchester	3/31/2025		2010	\$13,833.07
Towne East Square	3/31/2025	320	0F12A	\$8,500.01
Twelve Oaks Mall	3/31/2025	796	B223	\$11,867.91

Property Name	Rejection Date	Store #	Unit #	Administrative Claim
Tucson Premium Outlets	3/31/2025	0637	815	\$3,537.51
University Park Mall	3/31/2025	273	594A	\$13,648.40
Wolfchase Galleria	3/31/2025	276	1560A	\$20,311.61
Woodburn Premium Outlets	3/31/2025	432	1000	\$4,435.44
Woodbury Common Prem Outlets	3/31/2025	2154	0223	\$10,641.74
Woodland Hills Mall	3/31/2025	305	0143B	\$13,395.19
3/31/2025 Total				\$607,491.63
Allen Premium Outlets	4/30/2025	2153	0600B	\$46.93
Arizona Mills	4/30/2025	228	XQ	\$4,244.52
Arundel Mills	4/30/2025	453	XQ	\$0.00
Auburn Mall	4/30/2025	318	N500A	\$17,848.92
Barton Creek Square	4/30/2025	790	M06A	\$3,464.86
Burlington Mall	4/30/2025	783	1065A	\$3,106.97
Cielo Vista Mall	4/30/2025	114	Q01B	\$3,185.13
Colorado Mills	4/30/2025	230	XA	\$0.00
Concord Mills	4/30/2025	143	XQA	\$0.00
Del Amo Fashion Center	4/30/2025	720	88	\$15,993.06
Denver Premium Outlets	4/30/2025	2152	550	\$142.01
Desert Hills Premium Outlets	4/30/2025	0602	0900	\$56.43
Fashion Ctr at Pentagon City	4/30/2025	713	0A01A	\$9,754.65
Florida Mall	4/30/2025	793	1546A	\$126,356.41
Grapevine Mills	4/30/2025	184	XO	\$0.00
Great Mall	4/30/2025	136	XN	\$3,315.82
Gurnee Mills	4/30/2025	142	501A	\$0.00
Haywood Mall	4/30/2025	445	1067A	\$0.00
Houston Galleria	4/30/2025	418	B8020	\$7,446.37
Katy Mills	4/30/2025	775	330C	\$7,094.21
King of Prussia The Plaza	4/30/2025	0156	1306A	\$23,031.25
La Plaza Mall	4/30/2025	2113	B48	\$783.95
Las Americas Premium Outlets	4/30/2025	264	0138	\$22.31
Lenox Square	4/30/2025	394	3136	\$4,653.34
Mall at Rockingham Park	4/30/2025	236	W143B	\$66,174.07
Mall of Georgia	4/30/2025	234	1058A	\$2,235.72
Menlo Park Mall	4/30/2025	391	1614A	\$6,920.80
Miami International Mall	4/30/2025	233	560A	\$0.00
Newport Centre	4/30/2025	69	0B54B	\$21,961.46
Northshore Mall	4/30/2025	771	W169E	\$380.91
Ocean County Mall	4/30/2025	210	1087A	\$41.46
Ontario Mills	4/30/2025	15	XGA	\$7,443.65
Orlando Intl Prem Outlets	4/30/2025	315	1C06	\$3,311.91
Orlando Vineland Prem Outlets	4/30/2025	449	2201	\$1,127.64
Penn Square Mall	4/30/2025	0424	1001D	\$3,018.07
Pheasant Lane Mall	4/30/2025	2122	E117A	\$912.68
Plaza Carolina	4/30/2025	397	411A	\$0.00

Property Name	Rejection Date	Store #	Unit #	Administrative Claim
Potomac Mills	4/30/2025	791	XJA	\$981.61
Quaker Bridge Mall	4/30/2025	106	1003B	\$648.75
Rockaway Townsquare	4/30/2025	386	2094A	\$2,149.97
Roosevelt Field	4/30/2025	786	1124C	\$8,566.69
Sawgrass Mills	4/30/2025	200	XV	\$5,222.57
Smith Haven Mall	4/30/2025	712	M05	\$2,477.23
South Shore Plaza	4/30/2025	370	1300	\$2,793.24
Square One Mall	4/30/2025	191	W132	\$506.71
Sugarloaf Mills	4/30/2025	231	XK	\$0.00
Sunvalley Shopping Center	4/30/2025	6006	B121	\$5,496.10
The Domain	4/30/2025	345	P05A	\$0.00
The Mall at University Town Center	4/30/2025	479	215	\$668.79
The Mills at Jersey Gardens	4/30/2025	0078	XO	\$1,970.02
Town Center at Boca Raton	4/30/2025	232	1166E	\$1,970.02
Treasure Coast Square	4/30/2025	446	3080C	\$12,093.11
Westfarms	4/30/2025	101	F112	\$40,972.72
Woodfield Mall	4/30/2025	707	D116	\$65.31
4/30/2025 Total				\$430,658.35
Grand Total				\$1,038,149.98

CERTIFICATE OF SERVICE

I, Laurel D. Roglen, Esquire hereby certify that on this 30th day of July, 2025, I caused a true and correct copy of the foregoing pleading to be served electronically upon all parties that have opted in to receive notice via CM/ECF, as well as upon the following parties via electronic mail:

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Dated: July 30, 2025
Wilmington, Delaware

/s/ Laurel D. Roglen
Laurel D. Roglen (DE Bar No. 5759)
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