

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 (___)

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING MAINTENANCE, ADMINISTRATION, AND CONTINUATION
OF DEBTORS' CUSTOMER PROGRAMS 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**”), (a) authorizing the Debtors to maintain and administer customer-related programs in the ordinary course of business and in a manner consistent with past practice as described herein, in each case as the Debtors deem appropriate in their business judgment without further Court order (collectively, the “**Customer Programs**”), (b) authorizing the Debtors to continue, replace, implement, modify and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment without further Court order, (c) authorizing banks and other financial institutions, including Comenity (as defined below) (collectively, the “**Banks**”), to honor and process check and electronic transfer requests related to the foregoing, and (d) granting related

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.



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 Declaration**”),² 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 and 363(b) 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**”).

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

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 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).

DESCRIPTION OF CUSTOMER PROGRAMS

6. In the ordinary course of business, the Debtors provide customers with certain Customer Programs that generate goodwill, maintain loyalty, and increase the Debtors’ sales opportunities. Specifically, the Debtors have historically provided certain incentives, promotions, coupons, discounts, and accommodations to their customers, as well as processing customer purchases through the use of credit cards and other non-cash methods of payment. Because the Debtors continue to market their assets on a going concern basis notwithstanding the ongoing liquidation described in the First Day Declaration, the Debtors believe that preserving their ability to continue the Customer Programs, in their discretion and as appropriate under the circumstances, is critical to maintaining brand loyalty and value during the pendency of these proceedings.

I. GIFT CARD PROGRAM

7. In the ordinary course of business, the Debtors historically sold gift cards and e-certificates (collectively, the “**Gift Cards**”) in their retail stores and online, as applicable, to

customers in various denominations that could be redeemed to purchase goods from the Debtors (the “**Gift Card Program**”). Under the Gift Card Program, Gift Cards could be used at stores or on the Debtors’ website. According to the Debtors’ books and records, liabilities on account of the Gift Cards total approximately \$125 million.

8. Pursuant to the *Debtors’ Motion for Entry of (I) Interim Order Authorizing (A) the Conduct of the Store Closing Sales, With Such Sales to be Free and Clear of All Liens, Claims, and Encumbrances and (B) Granting Related Relief, and (II) Final Order Authorizing (A) the Debtors to Assume the Agency Agreement, (B) the Conduct of the Store Closing Sales, With Such Sales to be Free and Clear of All Liens, Claims, and Encumbrances, and (C) Granting Related Relief*, the Debtors request authority, in their sole discretion, to honor outstanding Gift Cards purchased by or issued to customers prior to the Petition Date through and including April 15, 2025 (the “**Gift Card Termination Date**”). No later than March 3, 2025, the Debtors stopped selling Gift Cards on their e-commerce website and at their store locations. Additionally, no later than the Petition Date, the Debtors posted conspicuous signage at their stores advising customers that Gift Cards would be honored through the Gift Card Termination Date. In connection with the commencement of these Chapter 11 Cases a banner was placed on the Debtors’ website advising online customers in the same manner.

II. REFUNDS AND EXCHANGES

9. The Debtors have historically allowed their customers to return or exchange merchandise that is in saleable condition with tags attached and accompanied by the original receipt or packing slip, as applicable, within 30 days of original purchase or shipping date.

10. Upon filing these Chapter 11 Cases, all sales—in the Debtors’ retail stores and on their e-commerce platform—are final. Because the Debtors are currently winding down their operations, the Debtors do not intend to accept returns or exchanges on a postpetition basis;

however, the Debtors request authority, in their sole discretion, to accept returns or exchanges on a postpetition basis, in the ordinary course of business, should the Debtors determine that it is in the best interest of the Debtors and their estates.

III. INDIVIDUAL CUSTOMER PROGRAMS

11. The Debtors offer discounts, special promotions, and other benefits through a loyalty program (the “**Loyalty Program**”). To partake in the Loyalty Program, customers must sign up for one of two private label credit cards offered by the Debtors: (i) a private label credit card offered by the Debtors through Comenity Capital Bank (“**Comenity**”) usable only at the Debtors’ stores or on their e-commerce platform (the “**Forever 21 Credit Card**”), or (ii) a visa credit card offered by the Debtors through Comenity usable for any purpose (“**Forever 21 Visa Credit Card**,” and, together with the Forever 21 Credit Card, the “**Credit Cards**”).³ Upon activation of the Credit Card, the customer can elect to participate in the Loyalty Program. Through the Loyalty Program, customers earn points for each purchase with their Credit Card. Additionally, customers receive certain discounts for events such as signing up for the Loyalty Program, the customer’s birthday, and the anniversary of the date the customer signed up for the Loyalty Program.

12. Because the Debtors are currently winding down their operations, the Debtors do not intend to continue the Loyalty Program, including maintenance of the Credit Cards, on a postpetition basis; however, the Debtors request authority, in their sole discretion, to continue or reinstate the Loyalty Program on a postpetition basis, in the ordinary course of business, should the Debtors determine that it is in the best interest of the Debtors and their estates.

³ The Credit Cards are issued by a third-party bank, and the Debtors have no liability to the bank for credit card losses, provided that purchases are made in accordance with the bank’s standard credit procedures.

IV. PROMOTIONS, COUPONS, AND FREE SHIPPING

13. The Debtors historically offered various promotional offers, both online and at selected stores, to customers throughout the year (collectively, the “**Promotions**”), which drove sales and maintain market competitiveness. These Promotions provided discounts to customers, such as clearance discounts, seasonal discounts, and other promotions. The Debtors also issued coupons for discounts on future purchases (the “**Coupons**”) which could be presented by customers at the time of purchase of goods in the Debtors’ stores and on their e-commerce platform. The Debtors also provide free shipping for e-commerce purchases of \$50 or more (“**Free Shipping**”).

14. Because the Debtors are winding down their operations, the Debtors have stopped offering applicable Promotions, Coupons, and Free Shipping at the Debtors’ retail stores and on their e-commerce platform; however, the Debtors request authority, in their sole discretion, to offer applicable Promotions, Coupons, and Free Shipping at the Debtors’ retail stores and on their e-commerce platform on a postpetition basis, in the ordinary course of business, should the Debtors determine that it is in the best interest of the Debtors and their estates.

V. SHEIN RETURN PROGRAM

15. The Debtors have historically allowed customers to return merchandise purchased through Shein, a company engaged in the “fast fashion” industry, at their retail stores (the “**Shein Return Program**”). Customers who return goods through the Shein Return Program receive Coupons that can be used at the Debtors’ stores or on their e-commerce platform. The Debtors do not pay anything out-of-pocket on account of the Shein Return Program. The Shein Return Program increases foot traffic into the Debtors’ stores and incentivizes customers to purchase Debtor goods.

16. By this Motion, the Debtors request authority, in their sole discretion, to maintain the Shein Return Program in the ordinary course of business to the extent that customers wish to return Shein goods, until such time as the Debtors have concluded the Store Closing Sales. For the avoidance of doubt, the Debtors do not intend to provide Coupons to customers in connection with the Shein Return Program on a postpetition basis; however, the Debtors request authority, in their sole discretion, to continue offering Coupons in connection with the Shein Return Program, on a postpetition basis, in the ordinary course of business, should the Debtors determine that it is in the best interest of the Debtors and their estates.

VI. PAYMENT PROCESSORS

17. In addition to cash, the Debtors accept several other methods of payment from customers in stores and on their websites, including: (i) Visa, MasterCard, Discover, American Express, JCB, and Diners credit cards; (ii) Venmo; (iii) AmazonPay; (iv) Klarna; and (v) debit cards (collectively, “**Non-Cash Payments**”). For all methods of payment, the Debtors receive the net customer sales less any chargebacks, returns and processing fees charged by the credit card companies, internet vendors, or other third-party payment processors (the “**Payment Processors**”). The processing fees charged by each Payment Processor vary but are in the range of approximately 1% to 4.05%. The fees that are owing to the Payment Processors are set off from the funds that are remitted to the Debtors on a daily basis. As of the Petition Date, the Payment Processors are not owed any outstanding amounts on account of their processing fees.

18. Maintaining continued use of the Non-Cash Payments is essential to the Debtors’ chapter 11 efforts and ability to maximize value from their ongoing liquidation efforts. By this Motion, the Debtors request authority, in their sole discretion, to allow the Payment Processors to continue to process the customer payments, including deducting chargebacks, returns and processing fees in the ordinary course of business and in a manner consistent with past practice.

RELIEF REQUESTED

19. By this Motion, the Debtors seek entry of the Interim Order and the Final Order: (a) authorizing the Debtors to maintain and administer the Customer Programs in the ordinary course of business on the terms described herein; (b) authorizing the Debtors to continue, replace, implement, modify and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment, without further Court order; (c) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing; and (d) granting related relief.

BASIS FOR RELIEF

I. HONORING CUSTOMER PROGRAM COMMITMENTS IS WARRANTED UNDER SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY CODE

20. Honoring Customer Program commitments is warranted under sections 105(a) and 363(b) of the Bankruptcy Code. Section 363 of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], 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). Under this section, a court may authorize a debtor to pay certain prepetition claims. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (discussing prior order authorizing payment of prepetition wage claims pursuant to section 363(b) of the Bankruptcy Code). To do so, “the debtor must articulate some business justification, other than the mere appeasement of major creditors.” *Id.*

21. In addition, the Court may authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code, which codifies the equitable powers of the bankruptcy court, 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). Under section 105(a) of the Bankruptcy Code, courts may permit pre-

plan payments of prepetition obligations when essential to the continued operation of a debtor's business. *Ionosphere Clubs*, 98 B.R. at 175. Specifically, the Court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the "doctrine of necessity." *Id.*, at 175–76.

22. The United States Court of Appeals for the Third Circuit recognized the doctrine of necessity in *In re Lehigh & New England Railway. Co.*, 657 F.2d 570, 581 (3d Cir. 1981). The Third Circuit held that a court could authorize the payment of prepetition claims if such payment was essential to the continued operation of the debtor. *Id.* (stating courts may authorize payment of prepetition claims when there "is the possibility that the creditor will employ an immediate economic sanction, failing such payment"); *see also In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972) (recognizing that the necessity of payment doctrine permits "immediate payment of claims of creditors where those creditors will not supply services or material essential to the conduct of the business until their pre-reorganization claims shall have been paid"); *In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (Bankr. D. Del. 1999) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to continued operation of business); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (same).

23. The rationale for the doctrine of necessity—the rehabilitation of a debtor in reorganization cases—is "the paramount policy and goal of Chapter 11." *Ionosphere Clubs*, 98 B.R. at 176; *see also Just for Feet*, 242 B.R. at 826 (finding that payment of prepetition claims to certain trade vendors was "essential to the survival of the debtor during the chapter 11 reorganization."); *In re Quality Interiors, Inc.*, 127 B.R. 391, 396 (Bankr. N.D. Ohio 1991) ("[P]ayment by a debtor-in-possession of pre petition claims outside of a confirmed plan of reorganization is generally prohibited by the Bankruptcy Code," but "[a] general practice has

developed . . . where bankruptcy courts permit the payment of certain pre petition claims, pursuant to 11 U.S.C. § 105, where the debtor will be unable to reorganize without such payment.”); *In re Eagle Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (approving payment of prepetition unsecured claims of tool makers as “necessary to avert a serious threat to the Chapter 11 process.”); *Burchinal v. Cent. Wash. Bank (In re Adams Apple, Inc.)*, 829 F.2d 1484, 1490 (9th Cir. 1987) (recognizing that allowance of “unequal treatment of pre petition debts when necessary for rehabilitation . . .” is appropriate); *Mich. Bureau of Workers’ Disability Comp. v. Chateaugay Corp. (In re Chateaugay Corp.)*, 80 B.R. 279, 287 (S.D.N.Y. 1987) (authorizing payment of prepetition workers’ compensation claims on grounds that the fundamental purpose of reorganization and equity powers of bankruptcy courts “is to create a flexible mechanism that will permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately.”); 2 Collier on Bankruptcy ¶ 105.04[5][a] (16th ed. 2013) (discussing cases in which courts have relied on the “doctrine of necessity” or the “necessity of payment” rule to pay prepetition claims immediately).

24. Accordingly, the Court has authority to authorize the Debtors to continue the Customer Programs and pay prepetition claims arising thereunder (as applicable), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code.

25. The Customer Programs, which are standard in the retail industry, have historically allowed the Debtors to meet competitive pressures, ensure customer satisfaction, and generate customer goodwill, thereby enhancing revenue. Although the Debtors have commenced these Chapter 11 Cases to, primarily, implement the orderly wind down of their business operations in the event a going concern transaction does not prove viable, preserving the ability to administer the Customer Programs in the limited manner described herein during the pendency of these

Chapter 11 Cases will help maintain value and customer goodwill in the event a going concern transaction ultimately materializes. In addition, the Debtors respectfully request authority to continue, replace, implement, modify and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment under the facts and circumstances of these proceedings, without further Court order.

II. CAUSE EXISTS TO AUTHORIZE THE DEBTORS' FINANCIAL INSTITUTIONS TO HONOR CHECKS AND ELECTRONIC FUND TRANSFERS

26. The Debtors further request that the Court (a) authorize the Banks to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the relief sought herein to the extent that the Debtors have sufficient funds on deposit in their accounts with the Banks, whether such checks were presented or electronic requests were submitted before or after the Petition Date, and (b) authorize the Banks to rely on the Debtors' designation of any particular check or electronic payment request as appropriate pursuant to this Motion without any duty of further inquiry and without liability for following the Debtors' instructions.

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

27. 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 requested herein is not granted. 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.

28. 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 and implement their wind down strategy, 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

29. 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 this 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. If the Court enters any order granting the relief sought herein, any payment made pursuant to such order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

NOTICE

30. 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 United States Attorney for the District of Delaware; (h) the Internal Revenue Service; (i) the state attorneys general for states in which the Debtors conduct business; and (j) 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.

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

/s/ Andrew M. Lee

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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.*,¹

Debtors.

Chapter 11

Case No. 25-10469 (____)

(Jointly Administered)

Ref: Docket No. ____

**INTERIM ORDER (I) AUTHORIZING MAINTENANCE, ADMINISTRATION, AND
CONTINUATION OF DEBTORS' CUSTOMER PROGRAMS, AND
(II) 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 maintain and administer customer-related programs as described in the Motion (collectively, the “**Customer Programs**”) in each case as the Debtors deem appropriate in their business judgment under the facts and circumstances of these cases, without further Court order, (b) authorizing the Debtors to continue, replace, implement, modify and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment under the facts and circumstances of these cases, without further Court order, (c) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing, 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

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.

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. The Debtors are authorized, but not directed, to maintain and administer, in the ordinary course of business and as appropriate under the facts and circumstances of these proceedings, the Customer Programs, in each case as the Debtors deem appropriate in their business judgment without further Court order, and to honor the obligations thereunder in a manner consistent with past practice or as set forth in the Motion.
3. The Debtors are authorized to continue, replace, implement, modify, and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment without further Court order.
4. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the

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

5. The Payment Processors used by the Debtors are authorized to offset chargebacks, returns, and fees on account of customer purchases in the ordinary course of business and in a manner consistent with past practice that may have arisen before the Petition Date.

6. All objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.

7. 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 (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.

8. 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.

9. 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.

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

11. 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.

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

13. 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.*,¹

Debtors.

Chapter 11

Case No. 25-10469 (____)

(Jointly Administered)

Ref: Docket Nos. ____

**FINAL ORDER (I) AUTHORIZING MAINTENANCE, ADMINISTRATION, AND
CONTINUATION OF DEBTORS' CUSTOMER PROGRAMS, AND
(II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of a final order (this “**Final Order**”) (a) authorizing the Debtors to maintain and administer customer-related programs as described in the Motion (collectively, the “**Customer Programs**”), (b) authorizing the Debtors to continue, replace, implement, modify and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment under the facts and circumstances of these cases, without further Court order, (c) authorizing the Banks to honor and process check and electronic transfer requests related to the foregoing, 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 previously entered that certain *Interim Order (I) Authorizing Maintenance, Administration, and Continuation of Debtors' Customer Programs, and (II) Granting Related Relief* [D.I. ____] (the “**Interim Order**”); and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C.

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.

§§ 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, to maintain and administer, in the ordinary course of business and as appropriate under the facts and circumstances of these proceedings, the Customer Programs, in each case as the Debtors deem appropriate in their business judgment without further Court order, and to honor the obligations thereunder in a manner consistent with past practice or as set forth in the Motion.
3. The Debtors are authorized to continue, replace, implement, modify, and/or terminate one or more of the Customer Programs, in each case as the Debtors deem appropriate in their business judgment without further Court order.
4. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds

are available in the applicable bank accounts to make such payments. The Banks may rely on the Debtors' representations with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Final Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Final Order.

5. The Payment Processors used by the Debtors are authorized to offset chargebacks, returns, and fees on account of customer purchases in the ordinary course of business and in a manner consistent with past practice that may have arisen before the Petition Date.

6. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.

7. Nothing in the Motion, the Interim Order, or this Final 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 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.

8. 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.

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

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

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