

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. 6

**INTERIM ORDER (I) AUTHORIZING CONTINUED USE OF CASH MANAGEMENT
SYSTEM; (II) AUTHORIZING USE OF PREPETITION BANK ACCOUNTS AND
CERTAIN PAYMENT METHODS; (III) AUTHORIZING CONTINUED
PERFORMANCE OF INTERCOMPANY TRANSACTIONS IN THE ORDINARY
COURSE OF BUSINESS; AND (IV) 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’ continued use of the Cash Management System; (b) authorizing the Debtors to continue using prepetition Bank Accounts and using debit, wire, and ACH payments; (c) continued performance of Intercompany Transactions in the ordinary course of business on the terms described herein; 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) and that this Court may enter

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 or First Day Declaration, as applicable.



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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. All objections to the entry of this Interim Order, to the extent not withdrawn or settled, are overruled.
3. 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.

4. The Debtors are authorized, but not directed, and on an interim basis, to: (a) continue operating the Cash Management System in accordance with, and subject to, the terms and conditions of the Cash Management Agreements, (b) continue to use the Bank Accounts in existence as of the Petition Date, in the names and with the account numbers existing immediately before the Petition Date, (c) honor any prepetition obligations related to the Cash Management System in the ordinary course of business, and (d) pay to any ordinary course bank fees and charges relating to the Bank Accounts and treasury management services, up to an aggregate amount of \$50,000 on an interim basis and in each case irrespective of whether such fees arose prior to the Petition Date, and perform their obligations under the Cash Management Agreements. The Debtors shall provide notice to the U.S. Trustee and any statutory committee appointed in these Chapter 11 Cases of any material changes to their Cash Management System.

5. The Debtors are further authorized to: (a) maintain any corporate card programs and honor all prepetition and post-petition obligations arising thereunder, and (b) pay or reimburse any ordinary course amounts owed in connection with merchant services provided by the Banks, including without limitation PNC Merchant Services, or any other corporate credit card provider, for any fees, charges, refunds, chargebacks, reserves and other amounts due and owing from the Debtors to the providers of the corporate credit cards, p-cards, or any other similar arrangements, (the “**Corporate Credit Cards**”) under the applicable Cash Management Agreements, whether such obligations are incurred prepetition or post-petition, and the Banks providing for such Corporate Credit Cards are authorized to receive or obtain payment for such obligations, as provided under, and in the manner set forth in, the applicable Cash Management Agreement governing such Corporate Credit Cards.

6. The Debtors are further authorized, but not directed, to: (a) continue to use all of the Bank Accounts in existence as of the Petition Date, including but not limited to those accounts identified on Exhibit C to the Motion, in accordance with the terms of the applicable Cash Management Agreements; (b) use, in their present form, all Business Forms, without reference to the Debtors’ status as debtors in possession; *provided that* in the event that the Debtors need to purchase new check stock during the pendency of these Chapter 11 Cases, such check stock will include a legend referring to the Debtors as “Debtors in Possession” or “DIP” and the lead case number; *provided further* that, with respect to checks that the Debtors or their agents print themselves, the Debtors shall use commercially reasonable efforts to begin printing the “Debtor in Possession” legend and the lead bankruptcy case number on such checks within ten (10) business days of the date of entry of this Interim Order; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors-in-possession; and (d) deposit funds in and withdraw funds

from the Bank Accounts by all usual means, including checks, wire transfers, ACH payments, and other debits.

7. The Cash Management Agreements existing between the Debtors and the Banks shall continue to govern the post-petition cash management relationship between the Debtors and the Banks and all of the provisions of such agreements, including the termination, fee provisions, rights, benefits, collateral, and offset rights, and remedies afforded under such agreements shall remain in full force and effect absent further order of this Court or, with respect to any such agreement with the Banks (including, for the avoidance of doubt, any rights of the Bank to use funds from the Bank Accounts to remedy any overdraft of another Bank Account or other cash management obligations, whether prepetition or postpetition, to the extent permitted under the applicable Cash Management Agreement), unless the Debtors and Bank agree otherwise, and any other legal rights and remedies afforded to the Bank under applicable law shall be preserved.

8. Each Bank is hereby authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the ordinary course and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, ACH transfers, and other electronic transfers of any kind issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be (including the completion of any such transaction commenced on or before the Petition Date but not completed until on or after the Petition Date).

9. Each Bank is authorized to debit the Debtors' accounts in the ordinary course of business without need for further order of this Court for: (a) all checks and other payment orders drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Bank's receipt of notice of filing of these

Chapter 11 Cases; and (b) all checks, automated clearing house entries, and other items deposited or credited to one of Debtors' accounts with such Bank prior to filing of these Chapter 11 Cases which have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to filing of these Chapter 11 Cases.

10. Each Bank may rely on the Debtors' representations with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and the Banks shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. As soon as reasonably practicable after entry of this Interim Order, the Debtors shall (a) contact each Bank, (b) provide each Bank with each of the Debtors' employer identification numbers and the case number of these Chapter 11 Cases and (c) identify for each Bank each of the Bank Accounts held at such Bank as being held by a debtor in possession in a bankruptcy case.

12. Subject to the terms of the applicable Cash Management Agreements, the Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided* that the Debtors give five (5) business days' prior notice to counsel for the Prepetition ABL Administrative Agent, counsel for the Prepetition Term Loan Agent, the U.S. Trustee and any statutory committee appointed in these Chapter 11 Cases; *provided, further*, that the Debtors shall only open any such new bank accounts at banks that have executed a Uniform Depository Agreement with the U.S. Trustee, or at banks that are willing to immediately execute such an agreement.

13. The Banks are authorized to continue to charge, and the Debtors are authorized to pay, honor, or allow the deduction from the appropriate account, the Bank Fees in the ordinary course of business, whether such items are dated prior to, on, or subsequent to the Petition Date.

14. Subject to the terms of the applicable Cash Management Agreements, the Debtors are authorized to continue performing Intercompany Transactions in the ordinary course of business; *provided* that the Debtors shall not be authorized by this Interim Order to undertake any Intercompany Transactions that are not on terms materially consistent with the Debtors' operation of their business in the ordinary course during the prepetition period; *provided, further*, that the Debtors shall not be authorized by this Interim Order to make cash payments on account of any prepetition Intercompany Claims.

15. All Intercompany Claims arising after the Petition Date as a result of Intercompany Transactions and transfers in the ordinary course of business shall be accorded administrative expense status in accordance with section 503(b) of the Bankruptcy Code; *provided, however*, that, subject to entry of the Final Order, nothing herein shall limit or be construed to limit the Debtors' ability to reconcile amounts owed between and among any Debtors, including netting and setting off obligations arising from Intercompany Transactions, whether arising prepetition or postpetition, in the ordinary course of business, as determined by the applicable Debtor.

16. Except as provided otherwise in paragraph 15 of this Interim Order, the relief granted in this Interim Order with respect to any Intercompany Transaction or Intercompany Claim shall not constitute a finding as to the validity, priority, or status of such Intercompany Transaction or Intercompany Claim. The rights of any party, including the Debtors, to contest the validity, priority, or status of any Intercompany Transaction or Intercompany Claim are expressly reserved.

17. The Debtors shall maintain accurate and detailed records of all transactions and transfers, including Intercompany Transactions, in accordance with their prepetition practices so that all transactions and transfers may be ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and transfers.

18. Notwithstanding anything contained herein, despite the Debtors' use of the consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which Debtor pays those disbursements.

19. Within two (2) business days from the entry of this Interim Order, the Debtors shall (a) serve a copy of this Interim Order on each Bank and (b) request that each Bank internally code each of the Bank Accounts as "debtor in possession" accounts.

20. Except as specifically set forth in this Interim Order, 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.

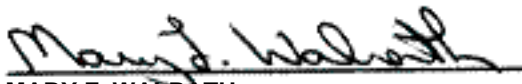
21. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

22. 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.

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

24. 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