

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

F21 OPCO, LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10469 (MFW)

(Jointly Administered)

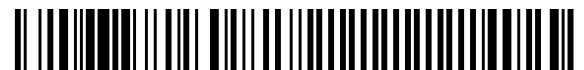
Ref: Docket Nos. 12 & 78

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY AND HONOR CERTAIN (A) PREPETITION WAGES, BENEFITS, AND OTHER COMPENSATION OBLIGATIONS; (B) PREPETITION EMPLOYEE BUSINESS EXPENSES; (C) BONUS PROGRAM OBLIGATIONS; AND (D) WORKERS' COMPENSATION OBLIGATIONS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "**Motion**")<sup>2</sup> of the Debtors for entry of a final order (this "**Final Order**"), (a) authorizing the Debtors to, in accordance with their stated policies and in their discretion, (i) pay, honor, or otherwise satisfy certain of the Employee Obligations, including amounts and obligations related to the period prior to the Petition Date, and continue certain of their Employee Benefits in the ordinary course of business, and (ii) continue the Store Closing Retention Bonus Program and pay amounts related thereto to Retained Store Level Employees; (b) authorizing the Debtors to continue the Workers' Compensation Program and honor obligations related thereto, regardless of when accrued; (c) authorizing the Banks to honor and process related checks and electronic transfers; and (d) granting related relief, all as more fully set forth in the Motion; and this Court having reviewed the Motion and the First Day Declaration; and this Court having

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: F21 OpCo, LLC (8773); F21 Puerto Rico, LLC (5906); F21 GiftCo Management, LLC (6412). The Debtors' address for purposes of service in these Chapter 11 Cases is 110 East 9th Street, Suite A500, Los Angeles, CA 90079.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.



previously entered that certain *Interim Order (I) Authorizing the Debtors to Pay and Honor Certain (A) Prepetition Wages, Benefits, and Other Compensation Obligations; (B) Prepetition Employee Business Expenses; (C) Bonus Program Obligations; and (D) Workers' Compensation Obligations; (II) Authorizing Banks to Honor and Process Checks and Transfers Related to Such Obligations; and (III) Granting Related Relief* [D.I. 78] (the “**Interim Order**”); 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 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. Upon entry of this Final Order, the Debtors are authorized, but not directed, to pay (including to SPARC and any third parties that provide or aid in the monitoring, processing or administration of the Employee Obligations) and/or honor, in their sole discretion, the Employee Obligations as and when such obligations are due, in an amount not to exceed \$16 million in the aggregate absent further order of this Court; *provided, however*, that notwithstanding any other provision of this Final Order, no payments to any Employee shall exceed the Statutory Cap set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code unless such amounts above the

Statutory Cap are a result of cash payments for unpaid amounts under the Paid Time Off, Other Leave Policies, or severance payments that are required under applicable state law.

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

4. Subject to paragraph 2 of this Final Order, the Debtors are authorized, but not directed, in their sole discretion, to honor and continue the Employee Benefits that were in effect as of the Petition Date; *provided, however*, that such relief shall not constitute or be deemed an assumption or an authorization to assume any of such Employee Benefits under section 365(a) of the Bankruptcy Code; *provided, further*, that the Debtors shall seek court approval, upon a motion on notice, of any modification that would implicate any portion of section 503(c) of the Bankruptcy Code.

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

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

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

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

9. Nothing in the Motion, the Interim Order, or this Final Order (including any actions taken or payments made by the Debtors pursuant thereof), is to be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the 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.

10. 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.

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

12. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, on account of the Employee Obligations as set forth herein, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored as a result of the commencement of these Chapter 11 Cases.

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

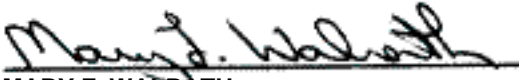
14. Nothing in this Final Order shall authorize the Debtors to pay any payments to or on behalf of "insiders" (as defined by section 101(31) of the Bankruptcy Code) that would be subject to section 503(c) of the Bankruptcy Code.

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

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

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

Dated: April 11th, 2025  
Wilmington, Delaware

  
MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE