

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 Nos. 11 & 77

**CERTIFICATION OF COUNSEL REGARDING *REVISED*
PROPOSED FINAL ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE
(A) TO MAINTAIN PREPETITION INSURANCE POLICIES; (B) TO MAINTAIN
PREPETITION SURETY BONDS; AND (C) TO USE THE SERVICES
OF THE BROKER; AND (II) GRANTING RELATED RELIEF**

On March 17, 2025, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Continue (A) to Maintain Prepetition Insurance Policies, (B) to Maintain Prepetition Surety Bonds, and (C) to Use the Services of the Broker; and (II) Granting Related Relief* [D.I. 11] (the “**Motion**”). A proposed form of order approving the Motion on a final basis was attached to the Motion as Exhibit B (the “**Proposed Final Order**”).

On March 18, 2025, the United States Bankruptcy Court for the District of Delaware (the “**Court**”) entered an order approving the Motion on an interim basis [D.I. 77] (the “**Interim Order**”). Pursuant to the Interim Order, any objections or responses to entry of the Proposed Final Order were to be filed and served by April 8, 2025 at 4:00 p.m. (ET) (the “**Objection Deadline**”), as may have been extended for certain parties.

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.



Prior to the Objection Deadline, the Debtors received informal comments to the Proposed Final Order from Chubb Insurance Companies and Allied World Specialty Insurance Company (together, the “**Responding Parties**”). The Debtors did not receive any other informal responses or objections to the Motion. To resolve the Responding Parties’ comments, the Debtors have agreed to revise the Proposed Final Order, as reflected in the revised Proposed Final Order attached hereto as **Exhibit A** (the “**Revised Proposed Final Order**”). For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Final Order against the Proposed Final Order is attached hereto as **Exhibit B**.

As the Debtors did not receive any objections or responses other than those described herein, and the Responding Parties do not object to entry of the Revised Proposed Final Order, the Debtors respectfully request that the Court enter the Revised Proposed Final Order without further notice or hearing at the Court’s earliest convenience.

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Dated: April 14, 2025

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ S. Alexander Faris

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Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Revised Proposed Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
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Debtors.

Chapter 11

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**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE (A) TO
MAINTAIN PREPETITION INSURANCE POLICIES; (B) TO MAINTAIN
PREPETITION SURETY BONDS; AND (C) TO USE THE SERVICES
OF THE BROKER; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtors for entry of a final order (this “**Final Order**”) (i) authorizing the Debtors, in the ordinary course of business, as needed, to continue (a) to maintain and administer prepetition insurance Policies and revise, extend, renew, supplement, or change such Policies (including through obtaining “tail” coverage), (b) to maintain, extend, renew, supplement, and/or modify prepetition Surety Bonds, and (c) to use the services of the Broker, and (ii) 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 the Debtors to Continue (A) to Maintain Prepetition Insurance Policies; (B) to Maintain Prepetition Surety Bonds; and (C) to Use the Services of the Broker; and (II) Granting Related Relief* (the “**Interim Order**”) [D.I.

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

77]; 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. The Debtors are authorized, but not directed, in the ordinary course of business, as necessary, to (a) continue to maintain and perform under their Insurance Program³ and pay and satisfy any related prepetition and postpetition amounts and obligations, (b) revise, extend, renew, supplement, or change the Policies or enter into new policies (including through obtaining “tail” coverage) and maintain, extend, renew, supplement, and/or modify the Surety Bonds, and (c) continue to use the services of the Broker.
3. Nothing in the Motion or this Final Order (a) alters or amends the terms and conditions of the Insurance Program; (b) relieves the Debtors of any of their obligations under

³ For the avoidance of doubt, the term Insurance Program shall include the Policies and the term Policies shall include all insurance policies, issued or providing coverage at any time to the Debtors and any agreements or documents related thereto, whether or not identified on Exhibit C to the Motion.

the Insurance Program; (c) creates or permits a direct right of action against any Insurance Carrier⁴; or (d) precludes or limits, in any way, the rights of any Insurance Carrier to contest and/or litigate the existence, primacy and/or scope of available coverage under the Insurance Program.

4. Allied World Specialty Insurance Company (“**Allied World**”), which issued Allied World Excess Liability Insurance Policy No. 0313-2451 to SPARC for the period of February 1, 2023 to February 1, 2024 (the “**Allied World Excess Policy**”), is permitted to use proceeds of the Allied World Excess Policy to pay the following and the automatic stay imposed by section 362 of the Bankruptcy Code is modified to permit such payment(s); provided, however that any such payments are subject in all respects to the terms of the applicable Insurance Policy and no such payment shall be made without the Debtors’ express written consent (reasonable notice of which shall be provided to the Official Committee of Unsecured Creditors), although any objection by the Debtors to any such payment must be provided within 14 business days or else such payment will be issued in accordance with the terms of the applicable Insurance Policy: (1) Breach Response Costs and Business Interruption Loss (as those terms are defined in the Beazley InfoSec Policy No. V34530230101 issued to SPARC by Beazley Insurance Company, Inc. for the period of February 1, 2023 to February 1, 2024 (the “**Beazley Primary Policy**”), to which the Allied World Excess Policy follows form) in connection with a ransomware attack sustained by Debtor F21 OpCo, LLC on or about March 20, 2023; and (2) Claims Expenses (as that term is defined in the Beazley Primary Policy) incurred in connection with the lawsuit styled *In re F21 OpCo, LLC Data Breach Litigation*,

⁴ For the avoidance of doubt, the term Insurance Carrier shall include all insurers that have issued or entered into a Policy, and any of their affiliates and predecessors.

Case No. 2:23-cv-07390-MEMF-AGR currently pending in the United States District Court for the Central District of California.

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

6. Nothing in the Motion, the Interim Order, or this Final Order, or the relief granted herein (including any actions taken 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.

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

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

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

EXHIBIT B

Blackline

**IN THE UNITED STATES BANKRUPTCY COURT
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