

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

In re:

F21 OPCO, LLC, *et al.*,

Debtors.

Chapter 11

Case No. 25-10469 (MFW)

(Jointly Administered)

**MOTION OF WPG LEGACY, LLC FOR ALLOWANCE AND
IMMEDIATE PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM**

WPG Legacy, LLC, as the owner of, or the managing agent for the owners of, the properties identified herein (“WPG”), by its undersigned counsel, Frost Brown Todd LLP and the Law Office of Susan E. Kaufman, LLC, files this motion (this “Motion”) for entry of an order (the “Proposed Order”), substantially in the form attached hereto as Exhibit A, allowing and directing immediate payment of the Administrative Claim (defined herein) pursuant to sections 105, 503(b) and 507(a) of title 11 of the United States Code (the “Bankruptcy Code”). In support of this Motion, WPG respectfully states:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “Court”) has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A).
2. Venue of this proceeding is proper under 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief sought in this Motion are sections 105, 503, and 507 of the Bankruptcy Code.



BACKGROUND

4. On March 16, 2025 (the “Petition Date”), the above-captioned debtors (the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in this Court.

5. WPG is the owner of, or the managing agent for the owner of, certain properties identified below where the Debtors leased retail space (the “Leased Premises”) from WPG pursuant to written lease agreements (the “Leases”).

Lease/Center	City, State
Great Lakes Mall	Mentor, OH
Mall at Johnson City	Johnson City, TN
Weberstown Mall	Stockton, CA
Jefferson Valley Mall	Yorktown Heights, NY

6. The Leased Premises are located in “shopping centers” as that term is used in section 365(b)(3) of the Bankruptcy Code. *See In re Joshua Slocum, Ltd.*, 922 F.2d 1081, 1086-87 (3d Cir. 1990).

7. The Leases were rejected pursuant to orders entered by this Court. *See* Docket Nos. 192, 206 & 331.

8. As of the filing of this Motion, the Debtors have not paid certain post-petition charges under the Leases totaling \$68,428.48 which came due prior to the rejection of the Leases (the “Administrative Claim” or “Post-petition Default”). An itemization of the Administrative Claim is attached hereto and incorporated herein as Exhibit A.

RELIEF REQUESTED

9. By this Motion, WPG seeks allowance and immediate payment of the Administrative Claim as an administrative expense of the Debtors’ estates pursuant to sections 365(d), 503(b) and 507(a) of the Bankruptcy Code. *See* 11 U.S.C. §§ 365, 503(b) and 507(a).

BASIS FOR RELIEF

10. Under the terms of the Leases, the Debtors are required to make certain payments arising out of their use and occupancy of the Leased Premises, including, but not limited to, rent, utilities, real property taxes, insurance, and all other charges imposed by the Leases, including year-end adjustments and reconciliations.

11. Section 365(d)(3) of the Bankruptcy Code provides, in relevant part, that “[t]he Trustee shall timely perform all the obligations of the debtor..., arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected, notwithstanding section 503(b)(1) of this title.” Thus, under section 365(d)(3) of the Bankruptcy Code, the Debtors have an affirmative obligation to stay current with their post-petition obligations under the Leases. *See In re Circuit City Stores, Inc.*, 447 B.R. 475, 506 (Bankr. E.D. Va. 2009) (Debtors in possession “must timely perform the obligations that arise from and after the order for relief under their leases pursuant to § 365(d)(3), until any such lease is assumed or rejected.”).

12. Notwithstanding the Debtors’ obligations under section 365(d)(3) of the Bankruptcy Code, the Debtors have failed to pay all post-petition amounts due and owing under the Leases, i.e., the Administrative Claim. Accordingly, the Post-petition Default should be allowed as an administrative expense claim and immediately paid by the Debtors pursuant to section 365(d)(3) of the Bankruptcy Code. *See Circuit City Stores*, 447 B.R. at 511 (“If a debtor fails to perform its obligations under § 365(d)(3), all a Lessor has is an administrative expense claim under § 365(d)(3) . . .”); *In re KDA Grp., Inc.*, No. 16-21821-GLT, 2017 WL 4216563, at *2 (Bankr. W.D. Pa. Sept. 20, 2017) (recognizing that post-petition lease obligations may be allowed as an administrative expense claim under § 365(d)(3)); *In re Burival*, 406 B.R. 548, 555

(B.A.P. 8th Cir. 2009), *aff'd*, 613 F.3d 810 (8th Cir. 2010) (“We agree with the majority of courts which conclude that Section 365(d)(3) provides administrative expense status to post-petition, pre-rejection claims under leases of non-residential real property.”).

13. In addition, WPG is entitled to an allowed administrative expense priority claim for the Post-petition Default under sections 503(b) and 507(a) of the Bankruptcy Code. Section 503(b)(1) of the Bankruptcy Code provides that “after notice and a hearing, there shall be allowed administrative expenses . . . including . . . (1)(A) the actual, necessary costs and expenses of preserving the estate . . .” 11 U.S.C. § 503(b)(1)(A). While section 507(a)(2) of the Bankruptcy Code grants priority status to administrative expenses allowed under section 503(b). 11 U.S.C. § 507(a)(2). As acknowledged by the Third Circuit, “[w]orking in tandem, [sections 503 and 507 of the Bankruptcy Code] are designed to sustain the viability of estates in bankruptcy by giving highest priority to the payment of ‘administrative expenses’—the ‘actual, necessary costs and expenses of preserving the estate.’” *In re Zagata Fabricators, Inc.*, 893 F.2d 624, 627 (3d Cir. 1990).

14. Here, the charges that accrued under the Leases during the post-petition, pre-rejection period and remain unpaid are actual and necessary costs of doing business and preserving the Debtors’ estate. *Zagata Fabricators*, 893 F.2d at 627 (“[R]ent is clearly an ‘actual, necessary’ cost of preserving the estate, since the debtor's survival depends on its ability to pay the landlord for the right to possess the space necessary to conduct its business.”). It is undisputed that the Debtors derived a benefit from the Leases during the post-petition, pre-rejection period by continuing to operate their business at the Leased Premises. Accordingly, payment of the Post-Petition Default must be afforded administrative expense priority status under sections 503(b)(1) and 507 of the Bankruptcy Code. *See In re Cornwall Paper Mills Co.*, 169 B.R. 844, 851 (Bankr.

D.N.J. 1994) (“[A] debtor's post-petition rental expense will constitute actual and reasonable expenses of the estate as required by section 503(b)(1)(A) so as to be accorded administrative expense priority pursuant to section 507(a)(1).”).

15. Based upon the foregoing, allowance and payment of the Administrative Claim is appropriate under sections 365(d)(3), 503(b), and 507(a) of the Bankruptcy Code.

RESERVATION OF RIGHTS

16. Nothing in this Motion is intended to be, or should be construed as, a waiver by WPG of any of its rights under the Leases, the Bankruptcy Code, or applicable law. WPG expressly reserves all such rights, including, without limitation, the right to supplement and/or amend this Motion to assert additional post-petition amounts due and owing under Leases.

CONCLUSION

WHEREFORE, for the reasons set forth herein, WPG respectfully requests that this Court enter the Proposed Order granting the relief requested therein and such other further relief as this Court deems just and appropriate under the circumstances.

[Signature page follows]

Dated: July 14, 2025
Wilmington, Delaware

Respectfully submitted,

LAW OFFICE OF SUSAN E. KAUFMAN, LLC

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Counsel for WPG Legacy, LLC

**COLLECTION WORKOUT FOR LEGAL POST-PETITION
GREAT LAKES MALL - FOREVER 21
INTEREST & LATE FEES FROM 3/16/2025 THROUGH 4/30/2025**

Run Date: 6/26/2025

Lease Information If payment not received when due:

Interest per month: 0.10% Late Fee Percent: 0.00% Or Late Fee Amount: 250.00 Lease Expiration: 4/30/2025

Date	Income category	Period Open Amount	Prorated Open Amount	Cumulative Open Amount	Cumulative Interest	Period Late Fee	Balance Due end of Period
3/20/2025	PRT % RENT CO-TENANCY Mar-25	5,351.69	5,351.69 5,351.69	5,351.69	5.35	250.00	5,607.04
4/25/2025	PRT % RENT CO-TENANCY Apr-25	347.87	69.57 69.57	5,421.26	5.42	250.00	5,932.03
Total			5,421.26		10.77	500.00	5,932.03

COLLECTION WORKOUT FOR LEGAL POST-PETITION
MALL AT JOHNSON CITY - FOREVER 21
INTEREST & LATE FEES FROM 3/16/2025 THROUGH 3/31/2025

Run Date: 4/9/2025

Lease Information If payment not received when due:

Interest per month: 0.10% Late Fee Percent: 0.00% Or Late Fee Amount: 250.00 Lease Expiration: 1/31/2026

Date	Income category	Period Open Amount	Prorated Open Amount	Cumulative Open Amount	Cumulative Interest	Period Late Fee	Balance Due end of Period
3/20/2025	PRT % RENT CO-TENANCY Mar-25	9,765.28	9,765.28	9,765.28	9.77	250.00	10,025.05

Total	9,765.28	9.77	250.00	10,025.05
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**COLLECTION WORKOUT FOR LEGAL POST-PETITION
WEBERSTOWN MALL - FOREVER 21
INTEREST & LATE FEES FROM 3/16/2025 THROUGH 4/30/2025**

Run Date: 4/9/2025

Lease Information If payment not received when due:

Interest per month: 0.10% Late Fee Percent: 0.00% Or Late Fee Amount: 250.00 Lease Expiration: 1/31/2028

Date	Income category	Period Open Amount	Prorated Open Amount	Cumulative Open Amount	Cumulative Interest	Period Late Fee	Balance Due end of Period
3/20/2025	PRT % RENT CO-TENANCY	14,723.26	14,723.26				
3/25/2025	ELE ELECTRIC	31,762.60	31,762.60				
	Mar-25		46,485.86	46,485.86	46.49	250.00	46,782.35

Total	46,485.86	46.49	250.00	46,782.35
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**COLLECTION WORKOUT FOR LEGAL POST-PETITION
JEFFERSON VALLEY MALL - FOREVER 21
INTEREST & LATE FEES FROM 3/16/2025 THROUGH 3/31/2025**

Run Date: 4/9/2025

Lease Information If payment not received when due:

Interest per month: 0.10% Late Fee Percent: 0.00% Or Late Fee Amount: 250.00 Lease Expiration: 1/31/2026

Date	Income category	Period Open Amount	Prorated Open Amount	Cumulative Open Amount	Cumulative Interest	Period Late Fee	Balance Due end of Period
3/20/2025	PRT % RENT CO-TENANCY	3,758.97	3,758.97				
3/27/2025	ELE ELECTRIC	1,674.65	1,674.65				
	Mar-25		5,433.62	5,433.62	5.43	250.00	5,689.05

Total	5,433.62	5.43	250.00	5,689.05
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

F21 OPCO, LLC, *et al.*,

Debtors.

Chapter 11

Case No. 25-10469 (MFW)

(Jointly Administered)

**ORDER GRANTING MOTION OF WPG LEGACY, LLC FOR ALLOWANCE AND
IMMEDIATE PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM**

Upon consideration of the *Motion of WPG Legacy, LLC for Allowance and Immediate Payment of Administrative Expense Claim* (the “Motion”)¹; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and 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 upon consideration of any and all objections and/or responses that were filed in opposition to the Motion; and it appearing that due and proper notice of the Motion has been given to all interested parties in this case; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. WPG Legacy, LLC shall have an allowed administrative expense under 11 U.S.C. § 503(b)(1)(A) in the amount of the \$68,428.48 (the “Allowed Administrative Claim”).
3. The Debtors shall pay the Allowed Administrative Claim within five (5) business days of entry of this Order.

¹ Capitalized terms not otherwise defined shall have the same meaning as set forth in the Motion.

4. This Order shall be binding upon, (i) any liquidating trustee, plan administrator, distribution agent and/or any other person appointed pursuant to any chapter 11 plan confirmed in these cases; (ii) any chapter 11 trustee appointed in these cases; and/or (iii) any chapter 7 trustee appointed or elected in these cases.

5. Notwithstanding any Bankruptcy Rule or Local Rule to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this 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 (MFW)

(Jointly Administered)

CERTIFICATE OF SERVICE

I hereby certify that on July 14, 2025, a true and correct copy of the foregoing *Limited Motion Of WPG Legacy, LLC For Allowance And Immediate Payment Of Administrative Expense Claim* was sent to the following as indicated:

VIA E-MAIL ONLY

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¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective employer identification numbers, 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.

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Date: July 14, 2025

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