

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

Sticky’s Holdings LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10856 (JKS)

Jointly Administered

Re. D.I. 7, 49 and 54

Obj. Deadline: May 13, 2024 at 4:00 p.m. (ET)

Hearing Date: May 20, 2024 at 1:00 p.m. (ET)

**NOTICE OF HEARING REGARDING
DEBTORS’ MOTION PURSUANT TO SECTIONS
105(a), 363(b), 363(c) AND 1107(a) OF THE BANKRUPTCY
CODE AND BANKRUPTCY RULES 6003 AND 6004(h) FOR INTERIM
AND FINAL ORDERS AUTHORIZING DEBTORS TO (A) CONTINUE
INSURANCE POLICIES AND AGREEMENTS RELATING THERETO,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND
(C) RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO
NEW INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT**

PLEASE TAKE NOTICE that on April 25, 2024, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion Pursuant to Sections 105(A), 363(B), 363(C) and 1107(A) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(H) for Interim and Final Orders Authorizing Debtor to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, (C) Renew, Revise, Extend, Supplement, Change or Enter Into New Insurance Coverage as Needed in Their Business Judgment, (D) Maintain the Surety Bond, and (E) Continue to Honor Insurance Premium Financing Obligations* [D.I. 7] (the “Motion”), attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, on April 26, 2024, the Bankruptcy Court entered the *Interim Order Authorizing Debtors to (A) Continue Insurance Policies and Agreements Relating Thereto, (B) Honor Certain Prepetition Obligations in Respect Thereof, and (C) Renew, Revise, Extend Supplement, Change or Enter Into New Insurance Coverage as needed in Their Business Judgment* [D.I. 54] (the “Interim Order”), attached hereto as **Exhibit B**.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number are as follows: Sticky’s Holdings LLC (3586); Sticky Fingers LLC (3212); Sticky Fingers II LLC (7125); Sticky Fingers III LLC (3914); Sticky Fingers IV LLC (9412); Sticky Fingers V LLC (1465); Sticky Fingers VI LLC (0578); Sticky’s BK I LLC (0423); Sticky’s NJ I LLC (5162); Sticky Fingers VII LLC (1491); Sticky’s NJ II LLC (6642); Sticky Fingers IX LLC (5036); Sticky’s NJ III LLC (7036); Sticky Fingers VIII LLC (0080); Sticky NJ IV LLC (6341); Sticky’s WC I LLC (0427); Sticky’s Franchise LLC (5232); Sticky’s PA GK I LLC (7496); Stickys Corporate LLC (5719); and Sticky’s IP LLC (4569). The Debtors’ mailing address is 24 E. 23rd Street, New York, NY 10010.



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PLEASE TAKE FURTHER NOTICE that objections, if any, to the final approval of the Motion must (a) be in writing, (b) be filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **May 13, 2024 at 4:00 p.m. (ET)** (the “**Objection Deadline**”), and (c) served as to be received on or before the Objection Deadline upon (a) the Debtors, (b) proposed counsel to the Debtors, Pashman Stein Walder Hayden, P.C., 1007 North Orange Street, 4th Floor, Suite 183, Wilmington, Delaware, 19899-1347, Attn: John W. Weiss (jweiss@pashmanstein.com), Joseph C. Barsalona II (jbarsalona@pashmanstein.com), Richard C. Solow (rsolow@pashmanstein.com) and Katherin R. Beilin (kbeilin@pashmanstein.com), (c) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Joseph F. Cudia (joseph.cudia@usdoj.gov) and Jonathan W. Lipshie (Jon.Lipshie@usdoj.gov), and (d) the Subchapter V Trustee, Natasha Songonuga, VTrustee LLC, P.O. Box 841, Wilmington, DE 19899 (Nsongonuga@VTrusteellc.com).

PLEASE TAKE FURTHER NOTICE that only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE THAT A FINAL HEARING ON THE MOTION WILL BE HELD ON MAY 20, 2024 AT 1:00 P.M. (ET) BEFORE THE HONORABLE J. KATE STICKLES, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM 6, WILMINGTON, DELAWARE 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

[Remainder Page Left Blank]

Dated: April 29, 2024
Wilmington, Delaware

**PASHMAN STEIN WALDER
HAYDEN, P.C.**

/s/ John W. Weiss

John W. Weiss (No. 4160)
Joseph C. Barsalona II (No. 6102)
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-and-

Richard C. Solow (admitted *pro hac vice*)
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*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit A

Motion

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

Sticky’s Holdings LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10856

Joint Administration Requested

**DEBTORS’ MOTION PURSUANT TO SECTIONS
105(a), 363(b), 363(c) AND 1107(a) OF THE BANKRUPTCY
CODE AND BANKRUPTCY RULES 6003 AND 6004(h) FOR INTERIM
AND FINAL ORDERS AUTHORIZING DEBTORS TO (A) CONTINUE
INSURANCE POLICIES AND AGREEMENTS RELATING THERETO,
(B) HONOR CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND
(C) RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO
NEW INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their undersigned proposed counsel, hereby move this Court (the “Motion”) for entry of interim and final orders pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing, but not directing, the Debtors to (a) continue insurance policies and agreements relating thereto, (b) honor certain prepetition obligations in respect thereof, and (c) renew, revise, extend, supplement, change or enter into new insurance coverage as needed in their business judgment. In addition, the Debtors are seeking to schedule a final hearing (the “Final Hearing”)

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number are as follows: Sticky’s Holdings LLC (3586); Sticky Fingers LLC (3212); Sticky Fingers II LLC (7125); Sticky Fingers III LLC (3914); Sticky Fingers IV LLC (9412); Sticky Fingers V LLC (1465); Sticky Fingers VI LLC (0578); Sticky’s BK 1 LLC (0423); Sticky’s NJ 1 LLC (5162); Sticky Fingers VII LLC (1491); Sticky’s NJ II LLC (6642); Sticky Fingers IX LLC (5036); Sticky’s NJ III LLC (7036); Sticky Fingers VIII LLC (0080); Sticky NJ IV LLC (6341); Sticky’s WC 1 LLC (0427); Sticky’s Franchise LLC (5232); Sticky’s PA GK I LLC (7496); Stickys Corporate LLC (5719); and Sticky’s IP LLC (4569). The Debtors’ mailing address is 24 E. 23rd Street, New York, NY 10010.

on the Motion. In support of this Motion, the Debtors incorporate by reference the *Declaration of Jamie Greer in Support of First Day Relief* (the “First Day Declaration”)² filed contemporaneously herewith and respectfully represent as follows:

JURISDICTION

1. The Court has jurisdiction over the Motion pursuant to 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. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and the Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004(h), and rule 9013-1(m) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

3. Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court if it is 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.

BACKGROUND

4. On April 25, 2024 (the “Petition Date”), the Debtors each commenced a voluntary case under chapter 11 of the Bankruptcy Code as a debtor defined in Bankruptcy Code section 1182(1) and the Debtors elected to proceed under Subchapter V of chapter 11 of the Bankruptcy Code pursuant to the Small Business Debtor Reorganization Act, as amended.

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

5. The Debtors are operating their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee has been appointed in these cases.

6. Additional detail regarding the Debtors, their businesses, the events leading to commencement of these cases, and the facts and circumstances supporting the relief requested herein is set forth in the First Day Declaration and is incorporated herein by reference.

RELIEF REQUESTED

7. By this Motion, the Debtors seek authority, but not direction, pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rule 6003 and 6004(h), to (i) maintain existing Insurance Policies (as defined below) and to pay on an uninterrupted basis all premiums, deductibles and administration fees (collectively, the “Insurance Obligations”) arising thereunder or in connection therewith, including any Insurance Obligations for prepetition periods; and (ii) renew, revise, extend, supplement, change or enter into new insurance policies as needed in their business judgment without further order of the Court.

8. The Debtors also request that the Court: (a) authorize and direct any and all banks with which the Debtors maintain accounts that the Debtors use to make payments related to the Insurance Policies and the Insurance Obligations to receive, process, honor and pay all checks drawn on such accounts and fund transfers for payments with respect to the Insurance Policies and the Insurance Obligations whether presented before or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments; and (b) authorize the Debtors to issue new postpetition checks or effect new postpetition fund transfers on account of the Insurance Policies and the Insurance Obligations, and to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

9. Finally, the Debtors request that the Court waive the 14-day stay of effectiveness of the order granting this Motion, and direct that the relief granted be effective immediately.

THE DEBTORS' INSURANCE PROGRAM

Insurance Policies

10. In the ordinary course of their business operations, the Debtors maintain insurance policies providing coverage for general liability, property, and workers' compensation (collectively, the "Insurance Policies"). The total annual premiums for the Insurance Policies are approximately \$247,770.00. Approximately \$30,000.00 of the insurance premium cost is payable in the twenty-one (21) days following the Petition Date. The Debtors have obtained the Insurance Policies through third-party insurance carriers (collectively, the "Insurance Carriers"). A list of the Insurance Policies and accompanying Insurance Carriers is attached hereto as **Exhibit C**.³

11. The Insurance Policies are essential to preserving the value of the Debtors' businesses, property and assets. Much of the coverage provided by the Insurance Policies is required by regulations, laws and contracts that govern the Debtors' commercial activities. Furthermore, section 1112(b)(4)(C) of the Bankruptcy Code provides that "failure to maintain appropriate insurance that poses a risk to the estate or to the public" is "cause" for mandatory conversion or dismissal.

BASIS FOR RELIEF

I. Continuing to maintain the Insurance Obligations is warranted pursuant to sections 363(b) and 105 of the Bankruptcy Code.

³ The Debtors believe that **Exhibit C** is a complete list of their Insurance Policies. However, to the extent that any Insurance Policy has been omitted from that list, the Debtors request that the order granting the relief sought herein apply to any and all of the Debtors' insurance policies in connection with the Debtor's insurance programs.

12. Section 363(b)(1) of the Bankruptcy Code provides: “The trustee, 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). Section 105(a) of the Bankruptcy Code provides:

The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title providing for the raising of an issue by a party in interest shall be construed to preclude the court from, *sua sponte*, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.

11 U.S.C. § 105(a). Section 105(a) of the Bankruptcy Code grants bankruptcy courts broad authority and discretion to enforce the provisions of the Bankruptcy Code either under specific statutory fiat or under equitable common law principles.

13. A bankruptcy court may use its equitable powers to authorize the payment of prepetition debt when such payment is needed to facilitate rehabilitating the debtor. *See In re Just for Feet, Inc.*, 242 B.R. 821, 824 (D. Del. 1999) (acknowledging that “[c]ertain prepetition claims . . . may need to be paid to facilitate a successful reorganization” and that “[s]ection 105(a) of the [Bankruptcy] Code provides a statutory basis for the payment of prepetition claims”); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“The ability of a Bankruptcy Court to authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.”). This equitable common law principle “was first articulated by the United States Supreme Court in *Miltenberger v. Logansport, C. & S.W Ry. Co.*, 106 U.S. 286 (1882) and is commonly referred to as either the ‘doctrine of necessity’ or the ‘necessity of payment’ rule.” *In re Ionosphere Clubs, Inc.*, 98 B.R. at 175-76.

14. In a long, well-established line of cases, courts consistently have permitted postpetition payment of prepetition obligations where necessary to preserve or enhance the value of a debtor’s estate for the benefit of all creditors. *See, e.g., Miltenberger*, 106 U.S. at 312

(payment of pre-receivership claim prior to reorganization permitted to prevent stoppage of crucial “business relations”); *In re Chateaugay Corp.*, 80 B.R. 279, 285–86 (S.D.N.Y. 1987) (approving lower court’s order authorizing payment of prepetition wages, salaries, expenses and benefits); *In re Just for Feet, Inc.*, 242 B.R. at 826 (granting approval to pay prepetition claims of certain trade vendors that were “critical to the Debtors’ reorganization”); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 192 (Bankr. D. Del. 1994) (noting that debtors may pay prepetition claims that are essential to continued operation of business).

15. The Debtors submit that it is essential that they be permitted to maintain the Insurance Policies and to pay the Insurance Obligations. The Debtors believe approximately \$30,000.00 in Insurance Obligations are due or will become due within twenty-one (21) days of the Petition Date. Accordingly, due to the importance of the coverage afforded by the Insurance Policies, the Debtors seek authority, but not direction, to pay all current and future Insurance Obligations notwithstanding the fact that such payments could be based, in whole or in part, on prepetition liabilities. If the Insurance Policies were allowed to lapse or the Debtors do not pay the Insurance Obligations, the Debtors would be exposed to substantial potential liability for any damages or loss resulting to persons and/or property of the Debtors and others. It is essential to the continued operation of the Debtors’ businesses and maximizing the value of their estates that Insurance Obligations be paid on a timely basis.

16. Moreover, other considerations support authorizing the Debtors to maintain and continue their insurance programs. For example, the Operating Guidelines and Reporting Requirements of the United States Trustee for Chapter 11 Debtors in Possession and Chapter 11 Trustees require chapter 11 debtor to maintain insurance coverage customary and appropriate for their industry.

17. To the extent that any Insurance Policy or other agreement described herein is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, the Debtors are not at this time seeking to assume such agreements. The Debtors submit that Court authorization of payments to be made with respect to the Insurance Obligations should not be deemed to constitute postpetition assumption or adoption, pursuant to section 365 of the Bankruptcy Code, of any such Insurance Policy. The Debtors will continue to review the Insurance Policies during the course of these cases, and hereby reserve all of their rights with respect thereto.

18. The Debtors also submit that because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, the requirements of Bankruptcy Rule 6003 have been satisfied.

II. Cause exists to authorize the Debtors' financial institutions to honor checks and electronic fund transfers.

19. The Debtors represent that they will have sufficient availability of funds to pay the amounts described herein in the ordinary course of business by virtue of cash reserves and expected cash flows from ongoing business operations. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently and that all applicable banks should be authorized, when requested by the Debtors, to receive, process, honor and pay any and all checks or wire transfer requests with respect to any Insurance Obligations.

THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED

20. In order for a debtor to obtain relief to make payments within 21 days of the petition date, it must establish that making such payments satisfies the requirements mandated by Bankruptcy Rule 6003—namely, the relief requested is necessary to avoid “immediate and irreparable harm.” If a debtor’s prospect of reorganizing is threatened, or swift diminution in value

of the debtor's estate is likely, absent the granting of the requested relief, immediate and irreparable harm likely exists. See *In re WorldSpace, Inc.*, No. 08-12412, 2008 WL 8153639, at *2 (Bankr. D. Del. Oct. 20, 2008) (granting emergency motions for post-petition financing, adequate protection, and modification of the stay where the court found that the relief was necessary to avoid irreparable harm to the debtors and their estates because such relief was essential for the continued operations of the debtors' businesses); *In re New World Pasta Co.*, No. 04-02817, 2004 WL 5651052, at *5 (Bankr. M.D. Pa. July 9, 2004) (same); see also *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (finding that "immediate and irreparable harm" exists where loss of the business threatens ability to reorganize).

21. Here, immediate and irreparable harm would result if the relief requested herein is not granted. Failure to pay the Insurance Obligations could cause a lapse in the Insurance Policies, which could devalue the Debtors' businesses and could cause interruption of services to customers as many of the Insurance Policies are required by law. It is imperative that the Debtors maintain the value of the businesses while the reorganization is being completed. Accordingly, the Debtors respectfully submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 for the prepetition amount of Insurance Obligations that the Debtors seek authority to pay pursuant to the Interim Order.

WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h)

22. Given the nature of the relief requested herein, the Debtors respectfully request a waiver of (i) the notice requirements under Bankruptcy Rule 6004(a) and (ii) the 14-day stay under Bankruptcy Rule 6004(h), to the extent that either rule is applicable.

DEBTORS' RESERVATION OF RIGHTS

23. Nothing contained in this Motion or any actions taken by the Debtors pursuant to relief granted in the Proposed Interim Order and the Proposed Final Order is intended

or should be construed as: (a) an admission as to the validity of any particular claim against any Debtor; (b) a waiver of any of the Debtors' rights to dispute any particular claim on any grounds; (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 request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of any Debtors' rights to subsequently dispute such claim.

NOTICE

24. Notice of this Motion will be provided to: (i) the Office of the United States Trustee; (ii) the Subchapter V trustee appointed in these cases (the "Subchapter V Trustee"); (iii) the Internal Revenue Service; (iv) the Securities and Exchange Commission; (iv) the Delaware Secretary of State; (v) the Delaware Secretary of the Treasury; (vi) the Debtors' secured creditors (vii) each of the Debtors' consolidated twenty (20) largest unsecured creditors; (viii) the Insurance Carriers listed on Exhibit C; and (ix) all parties requesting 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). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Proposed Interim Order substantially in the form annexed hereto as **Exhibit A** granting the relief requested in the Motion and such other and further relief as may be just and proper, and (b) schedule a Final Hearing on the Motion as soon as is otherwise practicable thereafter to consider entry of the Final Order substantially in the form annexed hereto as **Exhibit B**.

Dated: April 25, 2024
Wilmington, Delaware

**PASHMAN STEIN WALDER
HAYDEN, P.C.**

/s/ John W. Weiss

John W. Weiss (No. 4160)
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-and-

Richard C. Solow (*pro hac vice* pending)
Katherine R. Beilin (*pro hac vice* pending)
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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

Sticky’s Holdings LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10856

Joint Administration Requested

Re. D.I. __

INTERIM ORDER AUTHORIZING DEBTORS TO (A) CONTINUE INSURANCE POLICIES AND AGREEMENTS RELATING THERETO, (B) HONOR CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND (C) RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO NEW INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”) and a final order pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) authorizing the Debtors to (a) continue insurance policies and agreements relating thereto, (b) honor certain prepetition obligations in respect thereof, and (c) renew, revise, extend, supplement, change or enter into new insurance coverage as needed in their business judgment, all as further described in the Motion; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of

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

the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to maintain their Insurance Policies and to pay the Insurance Obligations arising under or in connection with the Insurance Policies as such Insurance Obligations become due. The Debtors are authorized, but not directed, to pay of all Insurance Obligations attributable to the prepetition period, provided that payments on account of any Insurance Obligations shall not exceed \$30,000.00 pending entry of a final order.
3. The Debtors are authorized, but not directed, to enter into new insurance policies or programs in the ordinary course of business through the renewal, supplement, revision, extension of the Insurance Policies or the purchase of new insurance policies to the extent that the Debtors determine that such action is necessary or appropriate in their business judgment.
4. This order shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay any of the obligations discussed herein or in the Motion, and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay such obligations, and nothing in this order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect such obligations to the extent they are not paid.
5. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Interim Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such

payments. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Interim Order.

6. To the extent that the Insurance Policies or any related contracts or agreements, including any agreements between the Debtors and any broker or agent, are determined to be executory contracts under section 365 of the Bankruptcy Code, neither the relief granted hereby nor any actions or payments made by the Debtors pursuant to this order shall constitute assumption or rejection of any such contract pursuant to section 365 of the Bankruptcy Code.

7. Nothing in this Interim Order or the Motion is intended or shall be construed to grant relief from the automatic stay pursuant to section 362 of the Bankruptcy Code.

8. Responses or objections to the Motion and entry of a final order with respect to the Motion must: (i) be made in writing; (ii) state with particularity the grounds therefor; (iii) conform to the Bankruptcy Rules and the Local Rules; and (iv) be served upon (a) proposed counsel to the Debtors, Pashman Stein Walder Hayden, P.C., 1007 North Orange Street, 4th Floor, Suite #183, Wilmington, Delaware, 19899-1347, Attn: John W. Weiss (jweiss@pashmanstein.com); Joseph C. Barsalona II (jbarsalona@pashmanstein.com), Richard C. Solow (rsolow@pashmanstein.com) and Katherine R. Beilin (kbeilin@pashmanstein.com), (b) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Joseph F. Cudia (joseph.cudia@usdoj.gov) and Jonathan W. Lipshie (Jon.Lipshie@usdoj.gov), and (c) the Subchapter V Trustee, [●](the “Notice Parties”).

9. The deadline by which objections to the Motion and the final order must be filed and received by the Notice Parties is _____, 2024 at 4:00

p.m. (prevailing Eastern Time). A final hearing, if required, on the Motion will be held on _____
_____, 2024 at _____ (prevailing Eastern Time). If
no objections are filed to the Motion and entry of this Interim Order on a final basis, the Court may
enter a final order without further notice or a hearing.

10. The relief requested in the Motion is necessary to avoid immediate and
irreparable harm to the Debtors, and timely entry of this Interim Order is not prohibited by
Bankruptcy Rule 6003(b).

11. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be
effective and enforceable immediately upon entry hereof.

12. The Court shall retain jurisdiction over any matters arising from or related
to implementing or interpreting this Interim Order.

Dated: _____, 2024
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

Sticky’s Holdings LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10856

Joint Administration Requested

Re. D.I. __

**FINAL ORDER AUTHORIZING
DEBTORS TO (A) CONTINUE INSURANCE POLICIES
AND AGREEMENTS RELATING THERETO, (B) HONOR
CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND
(C) RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO NEW
INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (the “Interim Order”) and a final order (this “Final Order”) pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) authorizing the Debtors to (a) continue insurance policies and agreements relating thereto, (b) honor certain prepetition obligations in respect thereof, and (c) renew, revise, extend, supplement, change or enter into new insurance coverage as needed in their business judgment; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be provided under the circumstances; and it appearing that the relief requested by this Motion is in the best interests of

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number are as follows: Sticky’s Holdings LLC (3586); Sticky Fingers LLC (3212); Sticky Fingers II LLC (7125); Sticky Fingers III LLC (3914); Sticky Fingers IV LLC (9412); Sticky Fingers V LLC (1465); Sticky Fingers VI LLC (0578); Sticky’s BK 1 LLC (0423); Sticky’s NJ 1 LLC (5162); Sticky Fingers VII LLC (1491); Sticky’s NJ II LLC (6642); Sticky Fingers IX LLC (5036); Sticky’s NJ III LLC (7036); Sticky Fingers VIII LLC (0080); Sticky NJ IV LLC (6341); Sticky’s WC 1 LLC (0427); Sticky’s Franchise LLC (5232); Sticky’s PA GK I LLC (7496); Stickys Corporate LLC (5719); and Sticky’s IP LLC (4569). The Debtors’ mailing address is 24 E. 23rd Street, New York, NY 10010.

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

the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to maintain their Insurance Policies and to pay the Insurance Obligations arising under or in connection with the Insurance Policies as such Insurance Obligations become due. The Debtors are authorized, but not directed, to pay of all Insurance Obligations attributable to the prepetition period.
3. The Debtors are authorized, but not directed, to enter into new insurance policies or programs in the ordinary course of business through the renewal, supplement, revision, extension of the Insurance Policies or the purchase of new insurance policies to the extent that the Debtors determine that such action is necessary or appropriate in their business judgment.
4. This order shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay any of the obligations discussed herein or in the Motion, and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay such obligations, and nothing in this order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect such obligations to the extent they are not paid.
5. All applicable banks and other financial institutions are hereby authorized and required to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Final Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such

payments. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Final Order.

6. To the extent that the Insurance Policies or any related contracts or agreements, including any agreements between the Debtors and any broker or agent, are determined to be executory contracts under section 365 of the Bankruptcy Code, neither the relief granted hereby nor any actions or payments made by the Debtors pursuant to this order shall constitute assumption or rejection of any such contract pursuant to section 365 of the Bankruptcy Code.

7. Nothing in this Final Order or the Motion is intended or shall be construed to grant relief from the automatic stay pursuant to section 362 of the Bankruptcy Code.

8. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

9. The Court shall retain jurisdiction over any matters arising from or related to implementing or interpreting this Final Order.

Dated: _____, 2024
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Type of Coverage	Insurer	Current Policy Period	Policy Number(s)	Total Approximate Annual Premium
Restaurant PAC ¹	Travelers Insurance One Tower Square Hartford, CT 06183	02/15/2024 to 02/15/2025	680-4K489471- 24-42	\$95,816.89
Umbrella Liability	Great American Insurance Company 3436 Toringdon Way, Suite 200 Charlotte, NC 28277	02/15/2024 to 02/15/2025	UMB 4370321	\$21,602.27
Workers Compensation and Employers' Liability	Sequoia Insurance Company 17771 Cowan Avenue, Suite 100 Irvine, CA 92614	02/15/2024 to 02/15/2025	UB-5K682188- 23-42-G	\$82,302.00
Management Liability	Chubb Group of Insurance Companies 202B Halls Mill Road Whitehouse Station, NJ 08889	10/10/2023 to 10/10/2024	8264-03358	\$28,467.00
Sticky Fingers V, LLC Disability	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	06/18/2018 to Present	DBL535739	\$2,175.00
Sticky Fingers II, LLC Disability	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	08/26/2018 to Present	DBL541081	\$3,130.00
Sticky Fingers III, LLC Disability	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	08/26/2018 to Present	DBL541086	\$2,375.00
Sticky Fingers IV, LLC Disability	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	08/26/2018 to Present	DBL541087	\$2,450.00

¹ Includes coverage for general liability, property coverage, and business personal property.

Type of Coverage	Insurer	Current Policy Period	Policy Number(s)	Total Approximate Annual Premium
Sticky Fingers VI, LLC	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	10/20/2018 to Present	DBL542945	\$1,030.00
Sticky's BK 1, LLC Disability	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	01/01/2019 to Present	DBL547712	\$1,437.00
Sticky Fingers VII, LLC	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	01/01/2019 to Present	DBL547714	\$2,000.00
Sticky Fingers VIII, LLC	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	07/01/2019 to Present	DBL559817	\$1,350.00
Sticky Fingers IX, LLC	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	11/01/2019 to Present	DBL583341	\$685.00
Sticky's WC I LLC	Shelterpoint Life Insurance Company 1225 Franklin Ave, Suite 475 Garden City, NY 11530	06/29/2023 to Present	DBL669415	\$2,950.00

Exhibit B

Interim Order

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

In re

Sticky's Holdings LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10856 (JKS)

Joint Administration Requested

Re. D.I. 7

**INTERIM ORDER AUTHORIZING DEBTORS TO (A) CONTINUE INSURANCE
POLICIES AND AGREEMENTS RELATING THERETO, (B) HONOR
CERTAIN PREPETITION OBLIGATIONS IN RESPECT THEREOF, AND (C)
RENEW, REVISE, EXTEND, SUPPLEMENT, CHANGE OR ENTER INTO NEW
INSURANCE COVERAGE AS NEEDED IN THEIR BUSINESS JUDGMENT**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") and a final order pursuant to sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) authorizing the Debtors to (a) continue insurance policies and agreements relating thereto, (b) honor certain prepetition obligations in respect thereof, and (c) renew, revise, extend, supplement, change or enter into new insurance coverage as needed in their business judgment, all as further described in the Motion; and upon consideration of the First Day Declaration; and due and sufficient notice of the Motion having been given under the circumstances; and it appearing that no other or further notice need be provided under the

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number are as follows: Sticky's Holdings LLC (3586); Sticky Fingers LLC (3212); Sticky Fingers II LLC (7125); Sticky Fingers III LLC (3914); Sticky Fingers IV LLC (9412); Sticky Fingers V LLC (1465); Sticky Fingers VI LLC (0578); Sticky's BK 1 LLC (0423); Sticky's NJ 1 LLC (5162); Sticky Fingers VII LLC (1491); Sticky's NJ II LLC (6642); Sticky Fingers IX LLC (5036); Sticky's NJ III LLC (7036); Sticky Fingers VIII LLC (0080); Sticky NJ IV LLC (6341); Sticky's WC 1 LLC (0427); Sticky's Franchise LLC (5232); Sticky's PA GK I LLC (7496); Stickys Corporate LLC (5719); and Sticky's IP LLC (4569). The Debtors' mailing address is 24 E. 23rd Street, New York, NY 10010.

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

circumstances; and it appearing that the relief requested by this Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, to maintain their Insurance Policies and to pay the Insurance Obligations arising under or in connection with the Insurance Policies as such Insurance Obligations become due. The Debtors are authorized, but not directed, to pay of all Insurance Obligations attributable to the prepetition period, provided that payments on account of any Insurance Obligations shall not exceed \$30,000.00 pending entry of a final order.
3. The Debtors are authorized, but not directed, to enter into new insurance policies or programs in the ordinary course of business through the renewal, supplement, revision, extension of the Insurance Policies or the purchase of new insurance policies to the extent that the Debtors determine that such action is necessary or appropriate in their business judgment.
4. This order shall not create any obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay any of the obligations discussed herein or in the Motion, and nothing in this order shall be deemed to increase, reclassify, elevate to an administrative expense status or otherwise affect such obligations to the extent they are not paid.
5. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under this Interim Order whether presented prior to or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Interim Order.

6. To the extent that the Insurance Policies or any related contracts or agreements, including any agreements between the Debtors and any broker or agent, are determined to be executory contracts under section 365 of the Bankruptcy Code, neither the relief granted hereby nor any actions or payments made by the Debtors pursuant to this order shall constitute assumption or rejection of any such contract pursuant to section 365 of the Bankruptcy Code.

7. Nothing in this Interim Order or the Motion is intended or shall be construed to grant relief from the automatic stay pursuant to section 362 of the Bankruptcy Code.

8. Responses or objections to the Motion and entry of a final order with respect to the Motion must: (i) be made in writing; (ii) state with particularity the grounds therefor; (iii) conform to the Bankruptcy Rules and the Local Rules; and (iv) be served upon (a) proposed counsel to the Debtors, Pashman Stein Walder Hayden, P.C., 1007 North Orange Street, 4th Floor, Suite #183, Wilmington, Delaware, 19899-1347, Attn: John W. Weiss (jweiss@pashmanstein.com); Joseph C. Barsalona II (jbarsalona@pashmanstein.com), Richard C. Solow (rsolow@pashmanstein.com) and Katherine R. Beilin (kbeilin@pashmanstein.com), (b) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Joseph F. Cudia (joseph.cudia@usdoj.gov) and Jonathan W. Lipshie (Jon.Lipshie@usdoj.gov), and (c) the Subchapter V Trustee, Natasha Songonuga, VTrustee LLC, P.O. Box 841, Wilmington, DE 19899 (Nsongonuga@VTrusteelc.com) (the “Notice Parties”).

9. The deadline by which objections to the Motion and the final order must be filed and received by the Notice Parties is May 13, 2024, at 4:00 p.m. (prevailing Eastern Time). A final hearing, if required, on the Motion will be held on May 20, 2024, at 1:00 p.m. (prevailing Eastern Time). If no objections are filed to the Motion and entry of this Interim Order on a final basis, the Court may enter a final order without further notice or a hearing.

10. The relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors, and timely entry of this Interim Order is not prohibited by Bankruptcy Rule 6003(b).

11. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

12. The Court shall retain jurisdiction over any matters arising from or related to implementing or interpreting this Interim Order.

Dated: April 26th, 2024
Wilmington, Delaware


J. KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE