

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

In re:)	Chapter 11
)	
Sticky’s Holdings LLC, <i>et al.</i> , ¹)	Case No. 24-10856 (JKS)
)	
Debtors.)	(Joint Administration Requested)
)	
)	Related Docket No. 481
)	Obj. Deadline Feb. 24, 2025 at 4:00 p.m. (ET)
)	

**STATEMENT AND RESERVATION OF RIGHTS OF SRI-WSA PROPERTIES I, LLC
AND UE BERGEN MALL OWNER LLC TO DEBTORS’ MOTION OF
REORGANIZED DEBTORS TO CONVERT THE CHAPTER 11 CASES TO CASES
UNDER CHAPTER 7 OF THE BANKRUPTCY CODE**

SRI-WSA Properties I, LLC (“SRI”) and UE Bergen Mall Owner LLC (“UE Bergen”) collectively, the “Landlords”), by and through their undersigned counsel, hereby file this statement and reservation of rights (the “Response”) to the *Motion of Reorganized Debtors to Convert the Chapter 11 Cases to Cases under Chapter 7 of the Bankruptcy Code* [Docket No. 481] (the “Motion to Convert”), and respectfully represent as follows:

1. On April 25, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under subchapter V of chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the “Court”), which cases have been jointly consolidated for administrative purposes only (the “Chapter 11 Cases”).

2. On April 26, 2024, the United States Trustee appointed Natasha Songonuga as the subchapter V trustee in these Chapter 11 Cases. The Debtors continue to

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); Sticky’s Corporate LLC (5719); and Sticky’s IP LLC (4569). The Debtors’ mailing address is 24 E. 23rd Street, New York, NY 10010.



operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.²

3. The Debtors lease retail space (the “Premises”) from the Landlords pursuant to unexpired leases of nonresidential real property (individually, a “Lease,” and collectively, the “Leases”) at the locations set forth below.

LANDLORD	CENTER	LOCATION
SRI	112 Washington Street	Hoboken, NJ
UE Bergen	Outlets at Bergen Town Center	Paramus, NJ

4. Each Lease is a lease “of real property in a shopping center” as that term is used in Section 365(b)(3). See In re Joshua Slocum, Ltd., 922 F.2d 1081, 1086-87 (3d Cir. 1990).

5. On October 21, 2024, the Debtors filed the *Subchapter V Debtor’s Modified First Amended Plan of Reorganization* [D.I. 368] (the “Plan”), which was confirmed by the Court on November 13, 2024 pursuant to the *Findings of Fact, Conclusions of Law, and Order Confirming Subchapter V Debtor’s Modified First Amended Plan of Reorganization* [D.I. 398] (the “Confirmation Order”). The Plan went effective on November 29, 2024.

6. The Leases both were included on the Assumed Contracts List [D.I. 268] and were deemed to have been assumed pursuant to Article 2.4 of the Plan on the Effective Date. See Confirmation Order, ¶ P.

7. On February 10, 2025, the Debtors filed the Motion to Convert, which seeks to convert these Chapter 11 Cases as the “Reorganized Debtors no longer have sufficient cash on hand to administer these Chapter 11 Cases and continue as a going concern.” See

² Unless otherwise specified, all statutory references to “Section” are to 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).

Motion to Convert, ¶ 9. Furthermore, the “Reorganized Debtors ended January 2025 with approximately \$200,000 in cash on hand, which was insufficient to make February rent payments for its ten stores.” *Id.* at ¶ 21.

8. Landlords file this Response to preserve their rights as Landlords do not necessarily oppose the relief sought in the Motion to Convert; however, the estates should be immediately compelled to surrender and reject the Leases now rather than further incurring another month of administrative rent that a chapter 7 trustee will be unable to pay.

9. In light of these outstanding issues, it would be inequitable to allow further administrative rent to accrue when there is no means to pay these costs and to further force the Landlords to bare this cost as an involuntary creditor of the Reorganized Debtor.

10. Moreover, to the extent there is a pool of funds to satisfy administrative expense claims, like those of the Landlords, those should be entitled to the same administrative priority as the chapter 11 administrative claims of the professionals in these cases, and therefore should be paid (likely pro rata) at the same time and to the same extent as all other administrative claimants are paid.

WHEREFORE, Landlords respectfully request that the Court enter an order consistent with the foregoing Response; and for such other and further relief as may be just and proper under all of the circumstances.

Dated: February 24, 2025
Wilmington, Delaware

Respectfully submitted,

/s/ Leslie C. Heilman

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*Counsel to SRI-WSA Properties I, LLC and UE
Bergen Mall Owner LLC*

CERTIFICATE OF SERVICE

I, Leslie C. Heilman, hereby certify that on this 24th day of February 2025, I caused a true and correct copy of the *Statement and Reservation of Rights of SRI-WSA Properties I, LLC and UE Bergen Mall Owner LLC to Debtors' Motion of Reorganized Debtors to Convert the Chapter 11 Cases to Cases under Chapter 7 of the Bankruptcy Code* to be served by electronic notice upon all parties registered to receive notice via CM/ECF in these cases, and also upon the parties on the attached service list via e-mail, where available, and first class mail or hand delivery.

Dated: February 24, 2025
Wilmington, Delaware

/s/ Leslie C. Heilman
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