

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

Hearing Date: TBD

In re

Chapter 11 - Sub-chapter V

Sticky's Holdings, LLC., et al.

Case No.: 24-10856 (JKS)

Reorganized Debtors.

Jointly Administered

**MOTION OF FTW CHICKEN INNOVATIONS LLC TO INTERVENE PURSUANT TO
FEDERAL RULE OF BANKRUPTCY PROCEDURE 7024 AND FEDERAL RULE OF
CIVIL PROCEDURE 24**

FTW Chicken Innovations LLC ("FTW" or "Movant"), by and through its undersigned counsel, hereby submits this Motion to Intervene (the "Motion") in the above-captioned Chapter 11 cases pursuant to Rule 24 of the Federal Rules of Civil Procedure, made applicable to these proceedings by Rule 7024 of the Federal Rules of Bankruptcy Procedure. In support of this Motion, FTW Chicken Innovations respectfully states as follows:

I. PRELIMINARY STATEMENT

1. FTW Chicken Innovations seeks to intervene in these Chapter 11 proceedings to protect the interests of creditors and preserve the already approved restructuring plan submitted by Sticky's Holdings, LLC and its affiliated debtors (collectively, the "Debtors"). Movant has submitted a formal offer to finance the Debtors so that the already approved Chapter 11 Subchapter V restructuring plan is paid in full and the conversion to Chapter 7 is averted.

2. As a prospective investor in the Debtors' business, FTW Chicken Innovations has a direct and substantial interest in these proceedings that existing parties cannot adequately represent. Intervention is necessary to protect Movant's interests and provide the Court with relevant information regarding a viable path forward that may maximize value for creditors.



3. This Motion is timely filed, as FTW Chicken Innovations because, as soon as it became aware of Consolidated Debtors' plan to abandon the approved restructuring plan, it acted promptly to preserve the financial viability of Consolidated Debtors and thus of its creditors. The proposed intervention is a good-faith effort to provide a beneficial solution that serves the interests of the bankruptcy estate and its creditors and will not unduly delay or prejudice the adjudication of the original parties' rights. On the contrary, it is expected to be the solution beneficial to all parties involved.

II. JURISDICTION AND VENUE

4. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory predicates for the relief requested herein are Rule 24 of the Federal Rules of Civil Procedure, made applicable to these proceedings by Rule 7024 of the Federal Rules of Bankruptcy Procedure, and section 1109(b) of title 11 of the United States Code (the "Bankruptcy Code").

III. BACKGROUND

A. The Debtors' Bankruptcy Cases

6. On April 25, 2024, the Debtors commenced these cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

7. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. On November 13, 2024, the Bankruptcy Court approved a restructuring plan that Movant aims to preserve fully as an alternative to a conversion to Chapter 7 (D.I. 398).

9. FTW, a Delaware limited liability company investing in the food industry, is managed, among others, by Paul Abrahamian, a founder of Sticky's Holdings LLC who holds a small equity stake in the Debtors and provides the Movant with unique insight into the Debtors' operations and potential for future success. Ex. A, ¶¶ 1, 2.

12. On February 10, 2025, Debtors filed a motion to convert the Chapter 11 cases to cases under Chapter 7 of the Bankruptcy Code, alleging "inability to obtain additional financing, and inability to find a purchaser" (D.I. 481, ¶ 21).

13. On March 7, 2025, FTW submitted a formal offer of a Debtor-in-Possession (DIP) financing arrangement that guarantees the remaining plan payments in full via an escrow mechanism and funds administrative fees and thus removes the conditions for a conversion to Chapter 7 of the Chapter 11 cases. Ex. A, ¶¶ 4-6.

14. FTW is ready to finalize the proposed DIP Financing and seeks to complete the transaction as soon as possible by immediately transferring an initial deposit to an escrow account to cover approximately the monthly plan obligations for 12 months plus a reserve for admin fees, thus demonstrating its good faith, financial capability, and commitment to completing the transaction. Ex. A, ¶ 5.

IV. BASIS FOR RELIEF REQUESTED

A. Legal Standard for Intervention

15. Federal Rule of Civil Procedure 24, made applicable to bankruptcy proceedings by Federal Rule of Bankruptcy Procedure 7024, provides for two types of intervention: intervention of right under Rule 24(a) and permissive intervention under Rule 24(b).

16. Rule 24(a)(2) provides that, on timely motion, the Court must permit anyone to intervene who "claims an interest relating to the property or transaction that is the subject of the

action, and is so situated that disposing of the action may as a practical matter impair or impede the movant's ability to protect its interest, unless existing parties adequately represent that interest." Fed. R. Civ. P. 24(a)(2).

17. Rule 24(b)(1)(B) provides that, on timely motion, a court may permit anyone to intervene who "has a claim or defense that shares with the main action a common question of law or fact." Fed. R. Civ. P. 24(b)(1)(B). In exercising its discretion under Rule 24(b), "the court must consider whether the intervention will unduly delay or prejudice the adjudication of the original parties' rights." Fed. R. Civ. P. 24(b)(3).

18. Additionally, section 1109(b) of the Bankruptcy Code provides that a "party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may raise and may appear and be heard on any issue in a case under this chapter." 11 U.S.C. § 1109(b).

B. The Movant Is Entitled to Intervene as of Right

19. The Movant satisfies all requirements for intervention as of right under Rule 24(a)(2).

i. The Motion Is Timely

20. The timeliness of a motion to intervene is determined by considering all the circumstances, including: (1) the length of time the applicant knew or should have known of its interest before making the motion; (2) the prejudice to existing parties resulting from any delay; (3) the prejudice to the applicant if the motion is denied; and (4) any unusual circumstances militating for or against a finding of timeliness.

21. Upon learning of the plan to convert the Chapter 11 cases to Chapter 7 and effectively shut down and liquidate the business, the Movant acted promptly to protect its

interests by securing legal representation, submitting a formal offer to the Debtor on March 7, 2025, to finance in full the restructuring plan approved by this Court, and now filing this Motion.

Ex. A, ¶ 4.

22. There will be no prejudice to existing parties resulting from FTW's intervention at this stage of the proceedings, as the intervention is aimed at benefitting the bankruptcy estate by providing a viable path forward that preserves the approved restructuring plan.

23. In contrast, FTW would suffer substantial prejudice if this Motion were denied, as it could not protect its interests as a potential purchaser of a commercially viable business.

24. Accordingly, this Motion is filed in a timely manner.

ii. The Movant Has a Substantial Legal Interest in the Subject Matter of the Action

25. The Movant has a substantial legal interest in these proceedings as a potential investor in the Debtors and as an entity with a member who is a founder of the Debtors' business and an equity holder.

26. Courts have recognized that potential purchasers of assets from a bankruptcy estate have a sufficient interest to warrant intervention, particularly where, as here, the potential purchaser has submitted a formal offer and has the financial capability to complete the transaction. *Truck Insurance Exchange v. Kaiser Gypsum Co.*, 602 U.S. ___, 144 S. Ct. 1414 (2024).

27. The Movant's interest is direct, substantial, and legally protectable, not merely contingent or remote.

iii. The Movant's Ability to Protect Its Interest May Be Impaired Absent Intervention

28. Disposition of these bankruptcy proceedings without the Movant's participation may impair or impede its ability to protect its interests. If FTW is not permitted to intervene, decisions may be made regarding the disposition of the Debtors' assets or equity that could foreclose FTW's ability to complete its proposed purchase.

iv. Existing Parties Do Not Adequately Represent the Movant's Interests

30. The existing parties to these proceedings do not adequately represent the Movant's unique interests. The Debtors have fiduciary duties to all creditors and stakeholders, not just to FTW. Creditors and other stakeholders may have interests that diverge from or conflict with FTW's interest in maintaining Sticky's brand and operational value and preserving the approved restructuring plan.

31. FTW brings a unique perspective with a member who is a founder of the Debtors' business and the proponent of a financing arrangement ready to be accepted on an expedited timeline. Ex. A, ¶ 2.

32. Accordingly, the Movant satisfies all requirements for intervention as of right under Rule 24(a)(2).

C. Alternatively, The Movant Should Be Granted Permissive Intervention

33. Even if the Court determines that FTW does not qualify for intervention as of right, it should be granted permissive intervention under Rule 24(b)(1)(B).

34. FTW's claims and interests share common questions of law and fact with the main bankruptcy proceedings, including issues related to the valuation of the Debtors' assets, the feasibility of the restructuring plan, and the best interests of creditors and other stakeholders.

35. Permitting FTW to intervene will not unduly delay or prejudice the adjudication of the original parties' rights. On the contrary, FTW's participation may expedite the proceedings

by providing the only viable path forward that preserves the approved restructuring plan and maximizes value for all stakeholders.

36. FTW is prepared to implement the proposed DIP Financing plan with an initial deposit immediately to an escrow account, demonstrating its financial capability and commitment to completing the transaction promptly. Ex. A, ¶ 5.

37. Accordingly, permissive intervention is warranted under Rule 24(b)(1)(B).

D. The Movant Is a “Party in Interest” Under Section 1109(b)

38. Section 1109(b) of the Bankruptcy Code provides that a “party in interest” may “raise and may appear and be heard on any issue in a case under this chapter.” 11 U.S.C. § 1109(b).

39. Courts have broadly interpreted the term “party in interest” to include any entity whose pecuniary interests are directly affected by the bankruptcy proceedings. *Hartford Underwriters Ins. Co. v. Union Planters Bank, N. A.*, 530 U.S. 1, 7 (2000) (“Congress uses the phrase “‘party in interest’ in bankruptcy provisions when it intends the provision to apply ‘broadly.’”) As a potential investor in Debtors, FTW’s pecuniary interests are directly affected by these proceedings.

40. Accordingly, FTW qualifies as a “party in interest” under section 1109(b) and should be permitted to appear and be heard on issues in these cases.

V. PROPOSED PLEADING

41. In accordance with Federal Rule of Bankruptcy Procedure 7024 and Delaware Local Bankruptcy Rule 7024-1, FTW attaches hereto as Exhibit B a proposed pleading setting forth its claims and interests in these proceedings.

VI. NO PRIOR REQUEST

42. No prior request for the relief sought in this Motion has been made to this or any other court.

VII. NOTICE

43. Notice of this Motion has been provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Debtors; (c) counsel to any official committee appointed in these cases; (d) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and (e) all parties on the master service list maintained in these cases. FTW Chicken Innovations submits that no other or further notice need be given in light of the nature of the relief requested.

VIII. CONCLUSION

WHEREFORE, FTW Chicken Innovations respectfully requests that this Court enter an order, substantially in the form attached hereto as Exhibit B: (a) granting this Motion; (b) authorizing FTW Chicken Innovations to intervene in these chapter 11 cases pursuant to Federal Rule of Civil Procedure 24 and Federal Rule of Bankruptcy Procedure 7024; (c) directing that FTW Chicken Innovations be added to the master service list maintained in these cases; and (d) granting such other and further relief as is just and proper.

Dated: March 11, 2025
New York, New York

Respectfully submitted,

LAW OFFICE OF ANDREA BOGGIO

By: /s/ Andrea Boggio, Esq.

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

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

Reorganized Debtors.

Chapter 11 - Sub-chapter V

Case No.: 24-10856 (JKS)

Jointly Administered

STATEMENT OF INTEREST OF FTW CHICKEN INNOVATIONS LLC

FTW Chicken Innovations LLC ("FTW"), by and through its undersigned counsel, hereby submits this Statement of Interest pursuant to Federal Rule of Bankruptcy Procedure 7024 and Delaware Local Bankruptcy Rule 7024-1, and states as follows:

1. FTW Chicken Innovations is a Delaware company investing in the food industry.
2. One of its members, Paul Abrahamian, is a founder of the Debtors' business, holding a small equity stake in Sticky's Holdings, LLC and its affiliated debtors (collectively, the "Debtors") and providing FTW with unique insight into the Debtors' operations and potential for future success.
4. Upon learning of the plan to convert the Chapter 11 cases to Chapter 7 and effectively shut down and liquidate the business, FTW Chicken Innovations submitted a formal offer to the Debtors on March 7, 2025, proposing to finance in full the restructuring plan approved by this Court on November 13, 2024.
5. FTW is prepared to immediately transfer an initial deposit to an escrow account to cover approximately the monthly plan obligations for 12 months plus a reserve for admin fees, thus demonstrating its good faith, financial capability, and commitment to completing the transaction.

6. FTW's proposed financing arrangement would permit the preservation of the already approved Chapter 11 Subchapter V restructuring plan and avoid the conversion of the Chapter 11 cases to Chapter 7, thus preserving the operational value of Debtors while delivering the expected benefits to creditors.

7. FTW has an urgent timeline for acquiring these assets and seeks to complete the transaction as soon as possible to avoid further damage to the brand and operational value of the Debtors.

8. FTW seeks to intervene in these proceedings to protect its substantial interest as a potential investor, existing equity holder, and business partner of the Debtors.

9. FTW's interests cannot be adequately represented by existing parties to these proceedings, as the Debtors have fiduciary duties to all creditors and stakeholders, and other parties may have interests that diverge from or conflict with FTW's interests.

10. Allowing FTW to intervene will not unduly delay or prejudice the adjudication of the original parties' rights but will likely provide a beneficial solution that serves the interests of the bankruptcy estate and its creditors.

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WHEREFORE, FTW Chicken Innovations respectfully requests that the Court grant its Motion to Intervene and permit FTW Chicken Innovations to participate as a party in interest in these Chapter 11 cases.

Dated: March 11, 2025
New York, New York

Respectfully submitted,

LAW OFFICE OF ANDREA BOGGIO

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

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| In re | Chapter 11 - Sub-chapter V |
| Sticky's Holdings, LLC., <i>et al.</i> | Case No.: 24-10856 (JKS) |
| Reorganized Debtors. | Jointly Administered |
| | re: D.I. _____ |

**ORDER GRANTING MOTION OF FTW CHICKEN INNOVATIONS LLC TO
INTERVENE PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 7024
AND FEDERAL RULE OF CIVIL PROCEDURE 24**

Upon consideration of the Motion of FTW Chicken Innovations LLC to Intervene Pursuant to Federal Rule of Bankruptcy Procedure 7024 and Federal Rule of Civil Procedure 24 (the "Motion"); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is GRANTED; and it is further

ORDERED that FTW Chicken Innovations LLC is authorized to intervene in these chapter 11 cases pursuant to Federal Rule of Civil Procedure 24 and Federal Rule of Bankruptcy Procedure 7024; and it is further

ORDERED that FTW Chicken Innovations LLC shall be added to the master service list maintained in these cases; and it is further

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