

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. 529

**DEBTORS' MOTION FOR ENTRY
OF AN ORDER SHORTENING NOTICE OF HEARING ON DEBTORS'
MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING DEBTORS'
ENTRY INTO PROPOSED LETTERS OF INTENT WITH HARKER
PALMER INVESTORS LLC AND BOJANGLES RESTAURANTS, INC.;
(II) AUTHORIZING DEBTORS AND THEIR PROFESSIONALS TO PERFORM
OBLIGATIONS THEREUNDER; AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (the "Debtors"), by and through their undersigned counsel, respectfully move (the "Motion to Shorten") as follows:

RELIEF REQUESTED

1. By this Motion to Shorten, the Debtors request, pursuant to section 105(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002 and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 9006-1(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order") (i) shortening the notice period for the hearing on the *Debtors'*

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 21 Maiden Lane, New York, NY 10038.



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Motion for Entry of an Order (I) Authorizing Debtors' Entry Into Proposed Letters of Intent with Harker Palmer Investors LLC and Bojangles Restaurants, Inc.; (II) Authorizing Debtors and their Professionals to Perform Obligations Thereunder; and (III) Granting Related Relief [D.I. 529]² (the "LOI Motion"), filed contemporaneously herewith, seeking entry of orders (i) authorizing the Debtors' entry into the proposed letters of intent (collectively, the "Proposed LOI") with Harker Palmer Investors LLC and Bojangles' Restaurants, Inc. (the "LOI Counterparties"); (ii) authorizing the Debtors and their professionals to perform other obligations thereunder; (iii) granting related relief; and (iv) scheduling a hearing (the "Hearing") to consider the relief requested in the LOI Motion on March 31, 2025 at 1:00 PM ET, and (v) permitting parties to file objections, if any, to the LOI Motion no later than 10:00 AM ET on March 31, 2025.

JURISDICTION

2. The Court has jurisdiction over the Motion to Shorten pursuant to 28 U.S.C. § 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 to Shorten is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested herein is section 105 of the Bankruptcy Code, Bankruptcy Rules 2002 and 9006, and Rule 9006-1(e) of the Local Rules.

4. 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.

² Capitalized terms not defined herein are used as defined in the LOI Motion, which is incorporated herein by reference.

BACKGROUND

5. On the Petition Date, the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) as debtors 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.

6. On April 26, 2024, the United States Trustee appointed Natasha Songonuga of Archer & Greiner, P.C. to serve as the Subchapter V trustee (the “Subchapter V Trustee”) in these cases pursuant to Bankruptcy Code section 1183(a). No official committee has been appointed in this case. The Debtors are operating their businesses as debtors in possession pursuant to section 1186(b) of the Bankruptcy Code.

7. 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 are set forth in the Declaration of Jamie Greer in Support of First Day Relief, sworn to on April 25, 2024 [D.I. 13] (the “First Day Declaration”) and are incorporated herein by reference.

8. On November 13, 2024, the Court entered the Findings of Fact, Conclusions of Law, and Order Confirming Subchapter V Debtors’ Modified First Amended Plan of Reorganization [D.I. 398] (the “Confirmation Order”).

9. Each condition precedent to the effectiveness of the Subchapter V Debtors’ Modified First Amended Plan of Reorganization [D.I. 368] (the “Plan”) occurred in accordance with the provisions of the Plan. Accordingly, the Plan went effective November 29, 2024 (the “Effective Date”).

10. As described in the *Motion of Reorganized Debtors to Convert the Chapter 11 Cases to Cases Under Chapter 7 of the Bankruptcy Code* [D.I. 481] (the “Motion to Convert”),

filed February 10, 2025, and herein, the Debtors were unable to generate sufficient cash to administer these Chapter 11 Cases and continue as a going concern. The Motion to Convert was initially scheduled for a hearing on February 26, 2025. *See* D.I. 491. On February 24, 2025, the hearing was cancelled and converted to a status conference to be held on March 4, 2025. *See* D.I. 500.

11. On March 4, 2025, the Debtors appeared for their first status conference following the Motion to Convert. On that date, Bojangles provided an initial indication of interest to the Debtors for consideration. The Debtors' board determined that the initial version of the LOI was unactionable.

12. On March 12, 2025, the Debtors appeared for a second status conference. *See* D.I. 510. At that status conference, the Debtors explained that they were working with a number of parties to find an actionable solution.

13. On March 19, 2025, the Debtors appeared for a third status conference. *See* D.I. 517. At that status conference, the Debtors advised the Court that it had two parties working on proposed letters of intent (each, an "LOI"), but neither was actionable at that time. The Debtors also advised the Court that Harker Palmer was prepared to provide the Debtors with an equity contribution of \$150,000 (the "Contribution") to allow the Debtors time to finalize an LOI that would allow for the Plan to be modified and implemented as modified, conditioned upon (1) a status conference hearing on the Motion to Convert being continued to March 31, 2025 and (2) the Contribution being repaid if the Debtors entered into an LOI with a non-refundable deposit of \$150,000. The Contribution was earmarked to pay the Debtors' professional fees accrued after March 4, 2025, and thereafter the Debtors' expenses accrued after March 4, 2025. The Court

agreed to continue the status conference to March 31, 2025. Harker Palmer funded the Contribution.

14. During the March 19, 2025 status conference, the Court requested that, should any proposed LOI be entered into between the Debtors and another party in interest, the Debtors file such LOI with the Court. Moreover, parties expressed concern that absent a possible deal being presented by March 31, 2025, they were likely in favor of conversion.

15. On March 25, 2025, the Debtors received their first LOI from Harker Palmer, and thereafter, the Debtors and the LOI Counterparties began negotiating the form of the Proposed LOI. Ultimately, the Debtors concluded that the Proposed LOI was the highest and best LOI available to the Debtors in their reasonable business judgment.

16. No other actionable LOI has been submitted.

17. Prior to the March 19, 2025 status conference, the Debtors received email correspondence from FTW Chicken Innovations LLC ("Chicken Innovations") containing diligence requests and potential terms for a possible LOI. However, the terms presented by Chicken Innovations were not actionable on the timeline provided by Chicken Innovations, particularly concerning post-confirmation administrative costs including April 1, 2025 rents.

18. On March 26, 2025, the Debtors and the LOI Counterparties entered into the Proposed LOI. Pursuant to the terms of the Proposed LOI and at the Court's direction, the Debtors filed the LOI Motion seeking approval prior to the March 31, 2025 deadline.

19. The Debtors believe that shortened time is appropriate and necessary under the circumstances. Absent approval of the Proposed LOI, the Debtors' cases may be converted to cases under chapter 7 of the Bankruptcy Code, which the Debtors believe would result in significantly reduced recoveries to creditors in these cases. Moreover, the Debtors, in their

reasonable business judgment, have determined that the Proposed LOI will provide the Debtors with significant additional capital to pay accruing administrative claims in these cases, while providing a path to a modified plan transaction with the LOI Counterparties that would maximize recoveries for creditors of the Debtors' estates.

20. As such, time pressures warrant shortened notice such that the Proposed LOI be heard along with the status conference already scheduled for March 31, 2025.

CERTIFICATION PURSUANT TO LOCAL RULE 9006-1(e)

21. In accordance with Local Rule 9006-1(e), on the date hereof, the Debtors contacted counsel to the Office of the United States Trustee (the "U.S. Trustee") and the Subchapter V Trustee to ascertain whether they would oppose permitting the LOI Motion to be heard on March 31, 2025. The U.S. Trustee and Subchapter V Trustee take no position with respect to the shortened notice.

BASIS FOR RELIEF

22. Bankruptcy Rule 4001 provides that "[t]he court may commence a final hearing on a motion for authority to obtain credit no earlier than fourteen (14) days after service of the motion." Fed. R. Bankr. P. 4001(c)(2). Further, as a default, Local Rule 9006-1(c)(ii) provides, "the deadline for objection(s) shall be no later than seven (7) days before the hearing date." Del. Bank. L.R. 9006-1(c)(ii).

23. Pursuant to section 102(1) of the Bankruptcy Code, the phrase "after notice and a hearing" requires only such notice and opportunity for a hearing as may be appropriate under the circumstances. 11 U.S.C. § 102(1) (2018). Section 105(a) of the Bankruptcy Code provides that the Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions" of the Bankruptcy Code. *Id.* § 105(a).

24. Under Bankruptcy Rule 9006, the Court may order time periods set by the Bankruptcy Rules to be reduced “for cause shown.” Fed. R. Bank. P. 9006(c)(1). In exercising such discretion, the court should “consider the prejudice to parties entitled to notice and weigh this against the reasons for hearing the motion on an expedited basis.” *In re Phila. Newspapers, LLC*, 690 F.3d 161, 171–72 (3d Cir. 2012) (noting the commonality of such motions “[g]iven the accelerated time frame of bankruptcy proceedings”). Local Rule 9006-1(e) likewise provides for shortened notice “by order of the Court, on written motion . . . specifying the exigencies justifying shortened notice.” Del. Bankr. L.R. 9006-1(e).

25. Shortening notice is appropriate here. Parties expressed concern that absent a possible deal being presented by March 31, 2025, they were likely in favor of conversion. Therefore, the Debtors have no other choice than to seek approval of the Proposed LOI on that date.

26. Additionally, no other stakeholder will be harmed by the shortened notice as the circumstances the Debtors have been facing were made abundantly clear at each of the past three status conferences and every party that has been following the Debtors’ cases should be well aware that the Debtors would want any LOI approved by the end of March. That an LOI would be considered for approval on or before March 31, 2025 was specifically addressed at the March 19, 2025 status conference.

27. Therefore, the Debtors respectfully submit that shortening notice of the LOI Motion as requested herein is reasonable under the circumstances. For these reasons, the Debtors respectfully submit that allowing the LOI Motion to be considered on shortened notice at the currently scheduled hearing on March 31, 2025, is reasonable, appropriate and necessary under the circumstances.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form of the proposed order, attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: March 26, 2025
Wilmington, Delaware

PASHMAN STEIN WALDER HAYDEN, P.C.

/s/ John W. Weiss

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed 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)

Jointly Administered

Re D.I.

**ORDER SHORTENING NOTICE OF HEARING APPROVING DEBTORS'
MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING
DEBTORS' ENTRY INTO PROPOSED LETTERS OF INTENT WITH
HARKER PALMER INVESTORS LLC AND BOJANGLES' RESTAURANTS, INC.;
(II) AUTHORIZING DEBTORS AND THEIR PROFESSIONALS TO PERFORM
OBLIGATIONS THEREUNDER; AND (III) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "Motion")² of the above-captioned debtors and debtors in possession (the "Debtors") for entry of an order (the "Order") shortening notice of the *Debtors' Motion for Entry of an Order (I) Authorizing Debtors' Entry Into Proposed Letters of Intent with Harker Palmer Investors LLC and Bojangles' Restaurants, Inc.; (II) Authorizing Debtors and their Professionals to Perform Obligations Thereunder; and (III) Granting Related Relief* (the "LOI Motion"), the Court having reviewed the Motion to Shorten and found that the relief requested therein is justified under the circumstances,

IT IS HEREBY ORDERED THAT:

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 21 Maiden Lane, New York, NY 10038.

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

1. The Motion to Shorten is **GRANTED**.
2. The LOI Motion will be considered at the status conference scheduled for March 31, 2025, at 1:00 PM ET.
3. Objections, if any, to the relief requested in the LOI Motion must be filed and served so as to be received by the Debtors by March 31, 2025 at 10:00 AM ET.
4. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.