

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

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In re :
: Chapter 11
: STICKY’S HOLDINGS LLC, et al.¹ :
: Case No. 24-10856 (JKS)
: Reorganized Debtors. :
: (Jointly Administered)
: :
: **Obj. Deadline: May 29, 2025**
: **Related to Docket No. 551 and 574**

**APPLICATION BY BROOKS SHOPPING CENTERS, LLC FOR ALLOWANCE OF
ADMINISTRATIVE EXPENSE CLAIM FOR LEASE REJECTION
DAMAGES UNDER 11 U.S.C. § 503(b)(7)**

**TO THE HONORABLE J. KATE STICKLES,
UNITED STATES BANKRUPTCY JUDGE:**

Brooks Shopping Centers, LLC (the “Landlord”), by and through its attorneys, hereby respectfully applies for allowance of an administrative expense claim (“Application”) for lease rejection damages under 11 U.S.C. § 503(b)(7), in compliance with the requirements under the *Order Granting Motion of Brooks Shopping Centers, LLC (I) To Compel Rejection of Lease Under U.S.C. §365(a); (II) For Allowance of an Administrative Claim for Unpaid Post-Petition Lease Obligations Under 11 U.S.C. § 503(b); (III) For Relief from or Vacate the Automatic Stay Under 11 U.S.C. § 362(B); and (IV) To Waive the Stay of Enforcement of Any Order Under Fed. R. Bank. P. 4001(3) [D.I. 574]* (the “Order”), and in support of this Application, states as follows:

¹ The Reorganized 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 Reorganized Debtors’ mailing address is 21 Maiden Lane, New York, NY 10038 (collectively, the “Reorganized Debtors”).



1. On April 25, 2024 (the “Petition Date”), the Reorganized Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. The Landlord and Reorganized Debtor *Sticky’s WC 1 LLC* (the “Tenant”) were parties to a lease for nonresidential real property (the “Lease”²) located in the Cross County Shopping Center in Yonkers, New York (the “Premises”).

3. On December 2, 2024, the Reorganized Debtors filed the *Notice of Effective Date* [D.I. 431] with respect to the *Modified First Amended Plan of Reorganization* (the “Plan”). Pursuant to the *Notice of Effective Date*, the Effective Date of the Plan occurred on November 29, 2024.

4. Pursuant to the terms of the Plan, the Confirmation Order, and the *Notice of Filing of Plan Supplement* [D.I. 268] the Lease was assumed by the Tenant.

5. The Tenant defaulted under the Lease, by, among other things, vacating the Premises and failing to pay monthly rent and charges (“Rent”) for the months of February, March and April of 2025. The monthly Rent under the Lease is \$24,823.47 for a total Rent arrears balance of \$74,470.41. An itemized calculation of the amount due and owing under the Lease is set forth as **Exhibit A**.

6. On April 15, 2025, the Landlord filed the *Motion (I) to Compel Rejection of Lease under 11 U.S.C. § 365(a); (II) for Allowance of an Administrative Claim for Unpaid Post-Petition Lease Obligations under 11U.S.C. §503(b); (III) for Relief from or to Vacate the Automatic Stay under 11 U.S.C. § 362(b); and (IV) to Waive the Stay of Enforcement of any Order under Fed. R. Bankr. P. 4001(3)* (D.I. 551) (the “Landlord’s Motion”).

² Copies of the Lease and all modifications and amendments thereto are in the Reorganized Debtors’ possession but are also available upon request to the undersigned counsel.

7. On April 28, 2025, the Court granted the Landlord’s Motion pursuant to the Order and allowed the Landlord’s administrative claim for unpaid post-petition rent in the amount of \$74,470.41 (the “Allowed Accrued Rent Claim”).

8. Pursuant to the Order, the Lease was rejected, and the Landlord was directed to file any claim for lease rejection damages under 11 U.S.C. § 503(b)(7) by not later than thirty (30) days following the entry of the Order (which equates to May 27, 2025).

9. Subsequent to the entry of the Order, the Landlord received the sum of \$24,823.47, thereby reducing the Allowed Administrative Rent Claim to \$49,646.94.

10. 11 U.S.C. § 503(b) provides, in relevant part:

After notice and a hearing, there shall be allowed administrative expenses ... including—

(7) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or relating to a failure to operate or a penalty provision, for the period of 2 years following the later of the rejection date or the date of actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from an entity other than the debtor, and the claim for remaining sums due for the balance of the term of the lease shall be a claim under section 502(b)(6)

11. The Third Circuit has held that “[p]ost-petition rent due under a nonresidential lease that has been accepted and then rejected is clearly an administrative expense as defined by the Code. *See In re Jughandle Brewing Co., LLC*, 2004 Bankr. LEXIS 1305, *1, *9 (Bankr. D.N.J. June 3, 2024); *In re Rite Aid Corp.*, 2004 LEXIS 2607, *1, *6 (Bankr. D.N.J. Oct. 24, 2024) (“Section 503(b)(7) classifies certain debts incurred under a nonresidential lease that have been assumed and subsequently rejected as administrative expenses.”)

12. The Landlord’s administrative “rejection damages” claim allowable under 11 U.S.C. 503(b)(7) totals \$595,763.28, as calculated on the attached **Schedule 1**. Upon application

of the security deposit in the amount \$47,052.42, as authorized by the Order, that total is reduced to \$548,710.86 (the “503(b)(7) Rejection Claim”).

13. As of the submission of this Application, with respect to the Premises and the 503(b)(7) Rejection Claim, the Landlord has not received and is not scheduled to receive any sums from any entity other than the Reorganized Debtors.

14. Landlord acknowledges that the revised plan of reorganization has been filed and that there may be negotiations with respect to the amount at which the 503(b)(7) Rejection Claim may be allowed.

WHEREFORE, the Landlord respectfully requests that the Court enter an order (i) allowing the Landlord’s 503(b)(7) Rejection Claim, net of the security deposit, in the amount of \$548,710.86, (ii) noting that the Allowed Administrative Rent Claim has been reduced to the amount \$49,646.94 due to the payment received by the Landlord following the entry of the Order, and (iii) granting any such other and further relief as this Court deems just and proper.

Dated: May 21, 2025

Respectfully submitted,

LAW OFFICE OF SUSAN E. KAUFMAN, LLC

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Counsel for Brooks Shopping Centers, LLC

EXHIBIT A

Aging By Billing Date

Aged Delinquencies Report

Building Status: Active, Inactive

Occupancy Status: Current, Inactive, New

Report Period: 04/25

Invoice Date	Category		Src.	Amount	Current	1 Month	2 Months	3 Months	4 Months
217001-001870 Contact:	Sticky's Finger Joint Leor Wolf (908) 997-6660			Suite Id: 2060 Status: Current Master Occupant Id: 00000523-1			Day Due: 1 Last Payment:	Delq Day: 10 1/7/2025	24,823.47
2/1/2025	150	BASE RENT-RETAIL	CH	24,493.55	0.00	0.00	24,493.55	0.00	0.00
2/1/2025	156	BASE RENT - STORAGE	CH	329.92	0.00	0.00	329.92	0.00	0.00
3/1/2025	150	BASE RENT-RETAIL	CH	24,493.55	0.00	24,493.55	0.00	0.00	0.00
3/1/2025	156	BASE RENT - STORAGE	CH	329.92	0.00	329.92	0.00	0.00	0.00
4/1/2025	150	BASE RENT-RETAIL	CH	24,493.55	24,493.55	0.00	0.00	0.00	0.00
4/1/2025	156	BASE RENT - STORAGE	CH	329.92	329.92	0.00	0.00	0.00	0.00
				73,480.65	24,493.55	24,493.55	24,493.55	0.00	0.00
				989.76	329.92	329.92	329.92	0.00	0.00
Sticky's Finger Joint Total:				74,470.41	24,823.47	24,823.47	24,823.47	0.00	0.00
				73,480.65	24,493.55	24,493.55	24,493.55	0.00	0.00
				989.76	329.92	329.92	329.92	0.00	0.00
Grand Total:				74,470.41	24,823.47	24,823.47	24,823.47	0.00	0.00
May 6, 2025:				(24,823.47)	- Payment Receipt from the Debtors				
Revised Total:				49,646.94					

SCHEDULE 1

**BROOKS SHOPPING CENTERS LLC
STICKY'S**

503(b)(7) ANALYSIS

<u>LEASE DETAILS</u>				Rents Reserved for:	
Rejection Date	Expiration Date	Monthly Rents	Remaining Months	Two Years	Balance of Term
4/28/2025	5/31/2032	24,823.47	85.10	\$595,763.28	\$2,112,477.30

Total Rejection Damages

11 USC 503(b)(7) 595,763.28

Security Deposit: -47,052.42

Net 503(b)(7) Claim 548,710.86

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

In re	:	Chapter 11
	:	
STICKY’S HOLDINGS LLC, et al. ¹	:	Case No. 24-10856 (JKS)
	:	(Jointly Administered)
Reorganized Debtors.	:	Ref. D.I. _____

**ORDER GRANTING APPLICATION BY BROOKS SHOPPING CENTERS, LLC
FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM FOR LEASE
REJECTION DAMAGES UNDER 11 U.S.C. § 503(b)(7)**

Upon the Application dated May 21, 2025 (the “Application”²), by Brooks Shopping Centers, LLC (the “Landlord”) For Allowance of Administrative Expense Claim for Lease Rejection Damages Under 11 U.S.C. §503(b)(7), and the Court finding that (a) it has jurisdiction over the matters raised in the Application pursuant to 27 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and (c) upon the record herein after due deliberation thereon good and sufficient cause exists for the granting of the relief as set forth herein. Therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED as set forth herein.
2. The Landlord’s 503(b)(7) Rejection Claim is allowed in the amount of \$548,710.86.

¹ The Reorganized 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 Reorganized Debtors’ mailing address is 21 Maiden Lane, New York, NY 10038 (collectively, the “Reorganized Debtors”).

² Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Application.

3. The Landlord received a payment from the Reorganized Debtors on account of the Allowed Administrative Rent Claim, and thus the Court recognizes that the Allowed Administrative Rent Claim has been reduced to \$49,646.94.

4. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

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

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

CERTIFICATE OF SERVICE

I hereby certify that on May 21, 2025, a true and correct copy of the foregoing

Application By Brooks Shopping Centers, LLC For Allowance Of Administrative Expense

Claim For Lease Rejection Damages Under 11 U.S.C. § 503(b)(7) was sent to the following

as indicated:

VIA E-MAIL ONLY

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Date: May 21, 2025

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