

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

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

Reorganized Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10856 (JKS)

Jointly Administered

Obj. Deadline: July 2, 2025 at 4:00 p.m. (ET)

Hearing Date: July 10, 2025 at 11:00 a.m. (ET)

**MOTION OF PASHMAN STEIN WALDER HAYDEN, P.C.  
TO WITHDRAW AS COUNSEL TO THE REORGANIZED DEBTORS**

Pashman Stein Walder Hayden, P.C. ("Pashman") hereby moves (this "Motion")<sup>2</sup> to withdraw as counsel to the above-captioned reorganized debtors and debtors in possession (the "Debtors" or "Reorganized Debtors") under Rule 9010-2(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"). In support of this Motion, Pashman respectfully represents the following:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334(b). This is a core proceeding as that term is defined in 28 U.S.C. § 157(b)(2) and the *Amended Standing Order of*

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<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Reorganized Debtors' Motion for Entry of an Order (I) Authorizing Entry Into Proposed Letter of Intent with Harker Palmer Investors LLC; (II) Authorizing Reorganized Debtors and Their Professionals to Perform Obligations Thereunder; and (III) Granting Related Relief* [D.I. 545] (the "LOI Motion").



*Reference from the United States District Court for the District of Delaware* dated February 29, 2012. Venue is proper under 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are 11 U.S.C. § 105(a), Local Rule 9010-2(b), and Rule 1.16 of the Delaware Lawyers' Rules of Professional Conduct.

2. As required by Local Rule 9013-1(f), Pashman confirms its consent to the entry of a final order by the Court solely in connection with this Motion to the extent it is later determined that the Court, absent consent of the relevant parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

### **BACKGROUND**

3. On April 25, 2024 (the "Petition Date"), the Debtors commenced voluntary cases under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the District of Delaware 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.

4. 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 these cases. The Reorganized Debtors are operating their businesses as debtors in possession pursuant to sections 1184 of the Bankruptcy Code.

5. 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 incorporated herein by reference.

6. On April 29, 2024, the Debtors filed the *Debtors' Application for Entry of an Order Under Sections 327(a), 328(a), and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016 and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment and Employment of Pashman Stein Walder Hayden, P.C. as Counsel for the Debtors Nunc Pro Tunc to the Petition Date* [D.I. 66] (the "Pashman Application").

7. On May 16, 2024, this Court entered the *Order Under Sections 327(a), 328(a) and 1107(b) of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure, and Local Rules 2014-1 and 2016 Authorizing Retention and Employment of Pashman Stein Walder Hayden, P.C. as Counsel for the Debtors Nunc Pro Tunc to the Petition Date* [D.I. 103] (the "Pashman Retention Order").

8. On November 13, 2024, the Bankruptcy 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 Confirmed Plan occurred in accordance with the provisions of the Confirmed Plan, and the Confirmed 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, the Reorganized Debtors were unable to generate sufficient cash to administer these Cases and continue as a going concern.

11. Following multiple status conferences on the Motion to Convert, the Bankruptcy Court requested that, should any proposed letter of intent be entered into between the Reorganized Debtors and another party in interest, the Reorganized Debtors file such letter of intent with the

Court. Moreover, several parties in interest expressed concern that absent a possible deal being presented by March 31, 2025, they were likely in favor of conversion.

12. On March 30, 2025, the Reorganized Debtors received the proposed Harker Palmer LOI, which the Reorganized Debtors selected as the highest and best offer available.

13. On April 3, 2025, the Reorganized Debtors filed the LOI Motion.

14. On April 30, 2025, the Court entered the *Order (I) Authorizing Entry Into Proposed Letter of Intent with Harker Palmer Investors LLC; (II) Authorizing Reorganized Debtors and Their Professionals to Perform Obligations Thereunder; and (III) Granting Related Relief* [D.I. 585] (the “LOI Order”).

15. Pursuant to the LOI Order, the Reorganized Debtors filed the *Reorganized Debtors’ Motion for Entry of an Order (I) Authorizing the Reorganized Debtors to Modify, and Approving Modifications to, the Confirmed Plan of Reorganization, (II) Confirming the Subchapter V Reorganized Debtors’ Second Modified First Amended Plan of Reorganization, and (III) Granting Related Relief* [D.I. 595] (the “Plan Modification Motion”) for authority to modify their Confirmed Plan, approval of the modifications to the Confirmed Plan, and Confirmation of the Modified Plan.

16. A hearing on the Plan Modification Motion was held on June 6, 2025.

17. In a bench ruling on June 9, 2025, the Court denied the Plan Modification Motion.

18. As a result of this latest failure to consummate a transaction to avoid conversion of the Chapter 11 Cases to chapter 7 cases, and with administrative expenses continuing to accrue, Pashman believes that there now exists a breakdown of communication and irreconcilable differences between Pashman and the Reorganized Debtors.

19. In the “Termination of Representation” section of Pashman’s engagement letter with the Debtors, the Debtors and Pashman expressly agreed that “Subject to ethical obligations,

[Pashman] reserves the right to withdraw from the engagement if our statements are not being paid in a timely manner or if for any other reason the lawyer-client relationship is not proceeding in a satisfactory manner.” At the time of filing this Motion, Pashman is owed in excess of \$907,000 by the Debtors (which amounts have accrued since the Petition Date and remain unpaid), and such fees and expenses continue to accrue in these Chapter 11 Cases.

**BASIS FOR RELIEF REQUESTED**

20. Local Rule 9010-2(b) provides as follows:

(b) Withdrawal. An attorney may withdraw an appearance for a party without the Court’s permission (i) when such withdrawal will leave a member of the Bar of the District Court appearing as attorney of record for the party or (ii) when the party (a) has no controversy pending before the Court and (b) the attorney certifies that the party consents to withdrawal of counsel. Otherwise, no appearance shall be withdrawn except by order on a motion duly filed, served on each party and served on the party client by registered or certified mail addressed to the client’s last known address, at least 14 days before the motion is heard by the Court. The filer is not required to confer other than with its party client prior to filing the motion to withdraw

Del. Bankr. L.R. 9010-2(b).

21. Sufficient cause exists for this Court to grant leave for Pashman to withdraw as counsel to the Reorganized Debtors. Communications between the Reorganized Debtors and Pashman have broken down due to, among other things, lack of effective communication as to issues being faced by the Reorganized Debtors and possible paths forward under the circumstances, outstanding amounts owing to Pashman (which continue to accrue), and for other reasons. As a result, the lawyer-client relationship between Pashman and the Debtors is no longer proceeding in a satisfactory manner, and Pashman has determined it necessary to file this Motion.

22. Finally, this Motion is consistent with the terms of the Pashman engagement letter, which makes clear that Pashman may withdraw for any reason, including the breakdown of

attorney-client relationship and the non-payment of invoices. Such agreement is consistent with the Delaware Lawyers' Rules of Professional Conduct which allow counsel to withdraw due to "[i]rreconcilable differences and professional considerations." See DLRPC 1.16(b)(4), 1.16(b)(5).

**NOTICE**

23. Notice of this Motion will be provided to: (i) the Reorganized Debtors, (ii) Subchapter V Trustee; (iii) the Office of the United States Trustee for the District of Delaware; and (iv) any party in interest that has requested to receive notice in the chapter 11 case pursuant to Bankruptcy Rule 2002.

WHEREFORE, Pashman requests that the Court enter the order attached hereto as **Exhibit A** approving Pashman's withdrawal as counsel to the Reorganized Parties.

*[Remainder of page left blank intentionally]*

Dated: June 18, 2025  
Wilmington, Delaware

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

/s/ John W. Weiss

John W. Weiss (No. 4160)  
Henry J. Jaffe (No. 2987)  
Joseph C. Barsalona II (No. 6102)  
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*Counsel to the Reorganized Debtors*

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

In re

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

Reorganized Debtors.<sup>4</sup>

Chapter 11

Case No. 24-10856 (JKS)

Jointly Administered

Obj. Deadline: July 2, 2025 at 4:00 P.M. (ET)

Hearing Date: July 10, 2025 at 11:00 A.M. (ET)

**NOTICE OF MOTION OF PASHMAN STEIN WALDER  
HAYDEN, P.C. TO WITHDRAW AS COUNSEL TO THE REORGANIZED DEBTORS**

**PLEASE TAKE NOTICE** that Pashman Stein Walder Hayden, P.C. ("PSWH") has filed the attached *Motion of Pashman Stein Walder Hayden, P.C. to Withdraw as Counsel to the Reorganized Debtors* (the "Motion").

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the approval of the Motion must (a) be in writing, (b) be filed with the Clerk of the Bankruptcy Court, 824 Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801, on or before **July 2, 2025 at 4:00 p.m. (ET)** (the "Objection Deadline"), and (c) served as to be received on or before the Objection Deadline upon (a) Pashman Stein Walder Hayden, P.C., 824 North Market Street, Suite 800, Wilmington, DE 19801, Attn: John W. Weiss ([jweiss@pashmanstein.com](mailto:jweiss@pashmanstein.com)) and Joseph C. Barsalona II ([jbarsalona@pashmanstein.com](mailto:jbarsalona@pashmanstein.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 HEARING ON THE MOTION WILL BE HELD ON JULY 10, 2025 AT 11:00 A.M. (ET) BEFORE THE HONORABLE J. KATE STICKLES, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, WILMINGTON, DELAWARE 19801.**

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<sup>4</sup> 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.



**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.**

Dated: June 18, 2025  
Wilmington, Delaware

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

/s/ John W. Weiss  
John W. Weiss (No. 4160)  
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*Counsel to the Reorganized Debtors*

**EXHIBIT A**

**Proposed Order**

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

In re

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

Reorganized Debtors.<sup>1</sup>

Chapter 11

Case No. 24-10856 (JKS)

Jointly Administered

Re: D.I. \_\_\_\_

**ORDER GRANTING MOTION OF PASHMAN STEIN WALDER  
HAYDEN, P.C. TO WITHDRAW AS COUNSEL TO THE REORGANIZED DEBTORS**

Upon the consideration of the Motion of Pashman Stein Walder Hayden, P.C. ("Pashman") to withdrawal as counsel to the above-captioned reorganized debtors and debtors in possession (the "Reorganized Debtors") under Rule 9010-2(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), it is hereby ordered:

1. The Motion is granted.
2. Under Local Rule 9010-2(b), Pashman is authorized and hereby deemed to withdraw as counsel to the Reorganized Debtors, effective as of the date of entry of this Order.

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<sup>1</sup> 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.

3. The Court shall retain jurisdiction to interpret, implement and enforce this order.