

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

In re:

STICKY'S HOLDINGS LLC, *et al.*¹
Reorganized Debtors.

Chapter 11

Case No. 24-10856 (JKS)

(Jointly Administered)

Hearing Date: TBD

Objections Due: 7/21/2025 at 4:00
pm ET

**APPLICATION OF YJL HOLDINGS LLC
FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM**

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

YJL Holdings LLC (the "Landlord") hereby 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 Authorizing Reorganized Debtors' Omnibus Motion for Entry of an Order (I) Authorizing the Rejection of Certain Unexpired Leases, Equipment Leases, and Executory Contracts; (II) Authorizing the Abandonment of Certain Personal Property; and (III) Granting Related Relief* [Docket No. 642] (the "Rejection Order"), and in support of this Application, respectfully 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.



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RELEVANT FACTS

1. On April 25, 2024 (the “Petition Date”), Sticky Fingers IV LLC (the “Tenant”), along with certain of its affiliates (collectively, prior to the Effective Date of the Plan, the “Debtors,” and after the Effective Date, the “Reorganized Debtors,” as applicable) 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. 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* [Docket No. 398] (the “Confirmation Order”), confirming the *Subchapter V Debtors’ Modified First Amended Plan of Reorganization* [Docket No. 368] (as amended, supplemented, or modified from time to time, the “Plan”).

3. On December 2, 2024, the Reorganized Debtors filed the *Notice of Effective Date* [Docket No. 431] indicating that the effective date under the Plan occurred on November 29, 2024.

4. The Landlord and the Tenant are parties to a lease for nonresidential real property (the “Lease”)² located at 21-23 Maiden Lane, New York, New York (the “Premises”). The term of the Lease runs through July 15, 2026 (the “Lease Maturity Date”).

5. Pursuant to the terms of the Plan, the Confirmation Order, and the *List of Assumed Contracts and Unexpired Leases* in the *Plan Supplement* [Docket No. 268], the Lease was assumed by the Tenant.

6. On May 8, 2025, the Reorganized Debtors filed the *Reorganized Debtors’ Omnibus Motion for Entry of an Order (I) Authorizing the Rejection of Unexpired Leases, Equipment Leases,*

² The Debtors have a copy of the Lease and any of its amendments, which may contain confidential information and will not be publicly filed. The Lease will be made available upon request subject to an appropriate confidentiality and/or non-disclosure agreement (as may be appropriate).

and Executory Contracts; (II) Authorizing the Abandonment of Certain Personal Property; and (III) Granting Related Relief [Docket No. 594], the (“Lease Rejection Motion”).

7. On June 26, 2025, the Court entered the Rejection Order. Pursuant to the Rejection Order, the Lease has been deemed to be rejected pursuant to section 365 of the Bankruptcy Code effective as of June 26, 2025 (the “Rejection Effective Date”), with claims relating to rejection damages thereunder to be filed within ten days of the entry of the Rejection Order (*i.e.*, July 6, 2025).

RELIEF REQUESTED

8. By this Application, the Tenant requests allowance of an administrative expense claim pursuant to section 503(b) of the Bankruptcy Code for amounts owing by Tenant under the Lease in the total amount of not less than \$484,496.37 (the “Rejection Damages Claim”) comprising of (i) not less than \$125,323.50 in amounts owing during the period between the Effective Date and the Rejection Effective Date, and (ii) not less than \$359,172.87 in amounts owing pursuant to section 507(b) of the Bankruptcy Code for the period following the Rejection Effective Date and the Lease Maturity Date. An itemized calculation of the Rejection Damages Claim is set forth as **Exhibit A**.

BASIS FOR RELIEF

9. As of the Rejection Effective Date, the Tenant was in default under the Lease, by, among other things, failing to pay monthly rent and charges for the month of February through the Rejection Effective Date. In addition, as a result of the Tenant’s rejection of the previously assumed Lease, the Landlord has incurred damages including, without limitation, the loss of future payments due under the Lease from the Rejection Effective Date through the Lease Maturity Date.

10. Pursuant to section 503(b)(7) of the Bankruptcy Code, the Landlord is entitled to an administrative expense claim for the previously assumed and subsequently rejected lease in “a sum equal to all monetary obligations due . . . 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” 11 U.S.C. § 503(b)(7) (emphasis added). Because the Lease Maturity Date occurs in approximately one year, and is thus sooner than the two-year cap, the Landlord is entitled to the full amount of monetary obligations remaining under the Lease.

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.*, 2024 Bankr. LEXIS 1305, at *9 (Bankr. D.N.J. June 3, 2024) (citation omitted); *In re Rite Aid Corp.*, 2024 LEXIS 2607, at *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”)

RESERVATION OF RIGHTS

12. Nothing in this Application shall constitute an amendment, waiver or relinquishment of any rights, claims, or defenses that the Landlord has in connection with the bankruptcy proceedings of the Reorganized Debtors or any other proceeding with respect to any party and all such rights, claims, and defenses are expressly preserved. The Landlord expressly reserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against Landlord by any of the Reorganized Debtors including any rights of setoff or recoupment.

13. The Landlord expressly reserves the right to amend, modify and/or supplement this Application at any time for whatever reason, including, without limitation, for the purpose of filing

additional claims, adding additional Debtor entities, and/or to specify the amount of Landlord's contingent, unmatured, and/or unliquidated claims as they become non-contingent, matured and/or liquidated, and/or to include interest, fees and expenses, including the reasonable fees, costs, expenses and disbursements incurred by Landlord and its professionals.

CONCLUSION

WHEREFORE, by this Application, the Landlord respectfully requests that the Court enter an order substantially in the form attached hereto as **Exhibit B** (the "Proposed Order"), allowing the Rejection Damages Claim as an administrative expense claim pursuant to section 503(b) of the Bankruptcy Code, and granting any such other and further relief as this Court deems just and proper.

Dated: July 7, 2025

Respectfully submitted,

PRYOR CASHMAN LLP

/s/ Joseph A. Shifer

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Counsel to YJL Holdings LLC

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

In re:

STICKY'S HOLDINGS LLC, *et al.*⁵
Reorganized Debtors.

Chapter 11

Case No. 24-10856 (JKS)

(Jointly Administered)

CERTIFICATE OF SERVICE

I hereby certify that on July 7, 2025, I caused a true and correct copy of the foregoing
*Application by YJL Holdings LLC for Allowance of Administrative Expense Claim for Lease
Rejection Damages under 11 U.S.C. § 503(b)(7)* to served upon all parties who receive notice in
this matter pursuant to the Court's CM/ECF system.

Dated: July 7, 2025

Respectfully submitted,

PRYOR CASHMAN LLP

/s/ Joseph A. Shifer
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Counsel to YJL Holdings LLC

⁵ 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.

Exhibit A

Rejection Damages Claim Summary

In re Sticky's Holding LLC, Case No. 24-10856 (JKS)*YJL Holdings LLC Rejection Damages Claim***Pre-Rejection Period**

Month	Amount Due	Notes
May 2025	\$103,006.31	<i>Balance as of May 2025</i>
June 2025 (Pre-Rejection)	\$ 22,317.19	<i>Prorated amount of 25 days prior to rejection</i>
Total Pre-Rejection Period Claim	\$ 125,323.50	

Post- Rejection Period (June 25, 2025)

Month	Amount Due	Notes
June 2025 (Post-Rejection)	\$ 4,463.44	<i>Prorated amount of 5 days following rejection</i>
July 2025	\$ 26,780.63	
August 2025	\$ 26,780.63	
September 2025	\$ 26,780.63	
October 2025	\$ 26,780.63	
November 2025	\$ 26,780.63	
December 2025	\$ 26,780.63	
January 2026	\$ 27,717.95	
February 2026	\$ 27,717.95	
March 2026	\$ 27,717.95	
April 2026	\$ 27,717.95	
May 2026	\$ 27,717.95	
June 2026	\$ 27,717.95	
July 2026	\$ 27,717.95	
Total Pre-Rejection Period Claim	\$ 359,172.87	
Total Rejection Damages Claim	\$ 484,496.37	

Exhibit B

Proposed Order

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

In re:

STICKY’S HOLDINGS LLC, *et al.* ³
Reorganized Debtors.

Chapter 11

Case No. 24-10856 (JKS)

(Jointly Administered)

**ORDER GRANTING APPLICATION BY YJL HOLDINGS LLC
FOR ALLOWANCE OF ADMINISTRATIVE EXPENSE CLAIM**

Upon the *Application by YJL Holdings LLC for Allowance of Administrative Expense Claim for Lease Rejection Damages under 11 U.S.C. § 503(b)(7)* dated July 7, 2025 (the “Application”),⁴ filed by YJL Holdings LLC (the “Landlord”) 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 Rejection Damages Claim is allowed in the amount of not less than \$484,496.37 as an administrative expense claim pursuant to section 503 of the Bankruptcy Code.
3. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

³ 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.

⁴ Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Application.

Dated: _____, 2025

THE HONORABLE J. KATE STICKLES
UNITED STATES BANKRUPTCY JUDGE