

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

|   |   |                         |
|---|---|-------------------------|
| In re:  | ) | Chapter 11              |
|   | ) |                         |
| Sticky's Holdings LLC, <i>et al.</i> , <sup>1</sup> | ) | Case No. 24-10856 (JKS) |
|   | ) |                         |
| Reorganized Debtors.                                | ) | (Jointly Administered)  |
|   | ) |                         |

**REQUEST OF 432268 LLC FOR ALLOWANCE AND PAYMENT OF  
ADMINISTRATIVE EXPENSE CLAIM  
PURSUANT TO 11 U.S.C. §§ 365(d)(3), 503(a), 503(b)(1)(A), AND 503(b)(7)**

432268, LLC (the “Landlord”), by and through its undersigned counsel, pursuant to sections 365(d)(3) and 503(b) of title 11 of the United States Code, respectfully files this Request (the “Request”) for an order granting the allowance and payment of Landlord’s administrative expense claim in the amount set forth herein. In support of this Request, Landlord states as follows:

**I. BACKGROUND**

1. On March 25, 2024 (the “Petition Date”), the Reorganized Debtors each filed a voluntary petition for relief under subchapter V of chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the “Court”), which cases have been jointly consolidated for administrative purposes only (the “Chapter 11 Cases”). The Reorganized Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.<sup>2</sup>

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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 1 LLC (0423); Sticky’s NJ 1 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 1 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> Unless otherwise specified, all statutory references to “Section” are to 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).



2. On April 26, 2024, the United States Trustee appointed Natasha Songonuga as the subchapter V trustee in these Chapter 11 Cases.

3. The Debtor Sticky's BK I, LLC ("Tenant") leases retail space (the "Premises") from the Landlord pursuant to an unexpired lease of nonresidential real property (the "Lease") for its restaurant operations in Downtown Brooklyn located at 66 Willoughby Street, Brooklyn, New York. To secure payment of its obligations under the Lease, the Tenant provided Landlord with a security deposit, and Debtor Sticky's Holding, LL executed that certain Guaranty of Payment and Performance on December 15, 2018 (the "Guaranty"). A true and correct copy of the Lease and Guaranty is available upon request.

4. The Lease is a lease "of real property in a shopping center" as that term is used in Section 365(b)(3). See In re Joshua Slocum, Ltd., 922 F.2d 1081, 1086-87 (3d Cir. 1990).

5. On October 21, 2024, the Reorganized Debtors filed the *Subchapter V Debtor's Modified First Amended Plan of Reorganization* [D.I. 368] (the "Plan"), which contemplated assumption of the Lease.

6. On November 13, 2024, the Bankruptcy Court confirmed the Plan pursuant to 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"). The Plan went effective on November 29, 2024 (the "Effective Date"), and the Lease was assumed (the "Assumed Lease"). See D.I. 431.

7. Post-confirmation, the Tenant defaulted on its obligations under the Assumed Lease. Among other things, Reorganized Debtors failed to pay base rent and additional rent due for February, April, May and June, 2025, as well as certain property taxes, as more fully set forth herein and in **Exhibit 1** attached hereto.

8. Thereafter, on June 26, 2025, the Court entered 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* [D.I. 642] (the "Rejection Order"), pursuant to which the Lease was rejected effective June 26, 2025 (the "Rejection Date").

9. The Rejection Order established the deadline for filing any claim in relation to the Lease as ten (10) days from the entry of the Rejection Order.

10. Under the terms of the Lease, the Reorganized Debtors are required to make certain payments to the Landlord arising out of their use and occupancy of the Premises. These payments include such items as rent and related charges, common area maintenance obligations, real property taxes, and all other charges imposed by the Lease, including year-end adjustments and reconciliations for charges that the Reorganized Debtors pay on an estimated basis. The Reorganized Debtors have not paid all obligations that have arisen or accrued during the post-Effective Date period prior to the Rejection Date. Further, pursuant to Section 503(b)(7) of the Bankruptcy Code, the Landlord is entitled to a sum equal to all monetary obligations due, for the period of two (2) years following the Rejection Date. Accordingly, the Landlord is entitled to a priority administrative expense claim for such obligations, as set forth in greater detail in the chart below and on the attached Exhibit 1, in addition to any indemnity obligations, amounts subject to setoff and/or recoupment, and/or attorneys' fees.

| SRI-WSA Properties I, LLC |                      |              |                             |
|---------------------------|----------------------|--------------|-----------------------------|
| Store No.                 | Shopping Center      | City, State  | Administrative Claim Amount |
| Unknown                   | 66 Willoughby Street | Brooklyn, NY | \$387,620.41                |

## II. RELIEF REQUESTED

11. Landlord respectfully requests that the Court enter an order for allowance and payment of its administrative priority claim in the amount set forth herein, pursuant to Bankruptcy Code sections 365(d)(3), 503(a), 503(b)(7), 503(b)(1)(A), and 507(a)(2).

## III. BASIS FOR THE RELIEF REQUESTED

12. Section 365(d)(3) provides that a debtor is required to “timely perform all the obligations of the debtor . . . arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected . . . .” 11 U.S.C. § 365(d)(3). *See, e.g., Imperial Beverage Group, LLC*, 457 B.R. 490, 497-500 (Bankr. N.D. Tex. 2011); *In re Appletree Markets, Inc.*, 139 B.R. 417, 419-20 (Bankr. S.D. Tex. 1992). *See also In re Simbaki, Ltd.*, Case No. 13-36878, 2015 BL 97167, \*6 (Bankr. S.D. Tex. Apr. 6, 2015).

13. The majority of courts that have considered the operation of Section 365(d)(3) have arrived at the same conclusion: costs and expenses incurred for post-petition, pre-assumption or rejection performance under an unexpired nonresidential real estate lease must be allowed as an administrative expense regardless of Section 503(b)(1)(A) limitations. *Id.* *See also In re Liberty Outdoors, Inc.*, 205 B.R. 414, 417 (Bankr. E.D. Mo. 1997) (lessor entitled to recover unpaid expenses pursuant to section 365(d)(3) of the Bankruptcy Code regardless of whether such “expenses benefited or preserved the estate”); *In re Worths Stores Corp.*, 135 B.R. 112, 115 (Bankr. E.D. Mo. 1991) (same); *In re S. Lincoln Med. Grp., P.C.*, Case No. BK07-41636-TLS, 2008 WL 506086, at \*2 (Bankr. D. Neb. Feb. 21, 2008) (citing *In re Brewer*, 233 B.R. 825, 829 (Bankr. E.D. Ark. 1999)). Thus, the plain language of Section 365(d)(3) and the relevant case law clearly requires the Reorganized Debtors’ immediate payment of all rents and related charges that arise post-petition as administrative expenses of these estates.

14. In addition, Section 503(b)(1) provides for an administrative expense claim for “the actual, necessary costs and expenses of preserving the estate. *See* 11 U.S.C.

§ 503(b)(1). A landlord's administrative claim under Section 503(b)(1) is equal to the lease contract rate. *In re ZB Co., Inc.*, 302 B.R. 316, 319 (Bankr. D. Del. 2003) (contract rate is presumed to be the fair rental value.). Section 507(a) of the Bankruptcy Code provides that administrative expense claims that are allowed under section 503(b) of the Bankruptcy Code have first priority. *See* 11 U.S.C. § 507(a)(2). The Reorganized Debtors benefited from the post-petition use and occupancy of the Premises through the Rejection Date.

15. Furthermore, Section 503(b)(7) provides that where a lease is assumed and subsequently rejected, the Landlord shall receive “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).”

16. On the basis of the foregoing, Landlord respectfully requests that the Court enter an order allowing its administrative expense claim in the amount set forth herein and accompanying supporting exhibit.

WHEREFORE, Landlord respectfully requests that the Court enter an Order: (i) awarding the allowance and payment of the Landlord's administrative expense claims against the Reorganized Debtors' estates under sections 365(d)(3), 503(a), 503(b)(1)(A), and 503(b)(7) of the Bankruptcy Code in the amount set forth herein; and (ii) providing for such other relief as the Court deems just and necessary.

Dated: July 7, 2025  
Wilmington, Delaware

Respectfully submitted,

/s/ Leslie C. Heilman

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*Counsel to 432268 LLC*

# **EXHIBIT 1**

**Landlord:** 432268 LLC  
**Tenant:** Sticky's BK I, LLC  
**Premises:** 66 Willoughby Street, Brooklyn, NY  
**Lease Expiration:** April 14, 2028  
**Lease Rejection Date:** June 26, 2025  
**Petition Date:** April 25, 2024  
**Security Deposit:** \$40,587.00

**Section 503(b)(7) Rejection, Post-Assumption Claim:**

| Period           | Monthly Base Rent | NNNs/Costs | Total Monthly Rent | # of months remaining | Total Rent           |
|------------------|-------------------|------------|--------------------|-----------------------|----------------------|
| 7/1/25 - 4/30/26 | \$ 14,353.00      | \$ -       | \$ 14,353.00       | 10                    | \$ 143,530.00        |
| 5/1/26 - 6/30/26 | \$ 14,784.00      | \$ -       | \$ 14,784.00       | 2                     | \$ 29,568.00         |
| 7/1/26 - 4/30/27 | \$ 14,784.00      | \$ -       | \$ 14,784.00       | 10                    | \$ 147,840.00        |
| 5/1/27 - 6/30/27 | \$ 15,227.00      | \$ -       | \$ 15,227.00       | 2                     | \$ 30,454.00         |
|                  |                   |            |                    |                       | <b>\$ 351,392.00</b> |

**TOTAL UNPAID RENT & OTHER CHARGES DUE**

**\$76,815.41**

Unpaid Rents - February 2025 \$13,935.00  
 Unpaid Rents - April 2025 \$13,935.00  
 Unpaid Rents - May 2025 \$14,353.00  
 Unpaid Rents - June 2025 \$14,353.00  
 Increase in Security Deposit \$8,112.00  
 Property Taxes Owing 2023-2025 \$12,127.41  
 Less Security Deposit

**(\$40,587.00)**

**TOTAL 503(b)(7) Damages**

**\$ 351,392.00**

**TOTAL ADIMINSITRATIVE CLAIM**

**\$ 387,620.41**

**REMAINING 10-MOS. REJECTION DAMAGES PER SECTION 502(B)(6)**

**\$ 152,270.00**

**TOTAL PREPETITION CLAIM**

**\$ 152,270.00**



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| In re:  | ) | Chapter 11              |
|   | ) |                         |
| Sticky's Holdings LLC, <i>et al.</i> , <sup>1</sup> | ) | Case No. 24-10856 (JKS) |
|   | ) |                         |
| Reorganized Debtors.                                | ) | (Jointly Administered)  |
|   | ) |                         |

**ORDER GRANTING ALLOWANCE  
AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM**

Upon the request (the “Request”) of 432268, LLC (the “Landlord”) for entry of an order (this “Order”) for allowance and payment of administrative expense claim (the “Claim”), all as more fully set forth in the Request; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Request in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Request was appropriate and no other notice need be provided; and this Court having reviewed the Request and determined that the legal and factual bases set forth therein establish just cause for the relief

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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 1 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.

granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Request is granted as set forth herein.
2. The Landlord is hereby granted an allowed administrative expense claim in the amount of \$387,620.41, which shall be paid by the above-captioned debtors and debtors in possession (the “Reorganized Debtors”) within ten (10) business days of the entry of this Order.
3. Notice of the Request as provided therein shall be deemed good and sufficient notice of such Request and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.
4. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.
5. The Reorganized Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Request.
6. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

**CERTIFICATE OF SERVICE**

I, Leslie C. Heilman, hereby certify that on this 7<sup>th</sup> day of July, 2025, I caused a true and correct copy of the foregoing pleading to be served electronically on parties who have requested notice in these cases via CM/ECF and to the following parties, in the manner indicated:

**Via First-Class Mail**

Jaime Greer  
1 Maiden Lane  
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*Reorganized Debtors*

**Via First-Class Mail**

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**Via First-Class Mail**

Office of the United States Trustee for the  
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Wilmington, Delaware, 19801  
E-mail: Joseph.Cudia@usdoj.gov  
Jon.Lipshie@usdoj.gov

*United States Trustee*

Dated: July 7, 2025  
Wilmington, Delaware

/s/ Leslie C. Heilman  
Leslie C. Heilman (No. 4716)  
BALLARD SPAHR LLP