

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Sticky's Holdings, LLC, *et al.*,¹

Debtors.

Chapter 7

Case No. 24-10856 (JKS)

(Jointly Administered)

Related D.I. 605, 654, 659, 664, 666, 667, 669

**OMNIBUS OBJECTION OF RICARDO PALACIO, INTERIM
CHAPTER 7 TRUSTEE, TO ADMINISTRATIVE EXPENSE CLAIMS**

Ricardo Palacio, the Interim Chapter 7 trustee (the "Trustee") of the estates of the above-captioned debtors (the "Debtors") and their estates, hereby objects (the "Objection") to certain administrative expense claims (the "Claims") filed against the Debtors by various claimants (collectively, the "Claimants") listed on **Exhibit A** attached hereto. By this Objection, the Trustee (i) objects to the allowance and/or payment of the Claims, and (ii) requests that (a) the Claims be denied, without prejudice to filing the same later in the event funds are available for distribution on account of chapter 11 administrative expenses, or (b) the Court defer consideration of the Claims until such time as the Trustee has conducted the 341 meeting and determined that funds will be available for distribution to the Claimants on account of the Claims. In support thereof, the Trustee respectfully states as follows:

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.



BACKGROUND

1. On April 25, 2024, the Debtors filed voluntary petitions for relief under Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. On June 30, 2025, the Office of the United States Trustee filed a *Motion to Convert Chapter 11 Case to a Case Under Chapter 7* [D.I. 646]. The Court entered an Order converting these Cases on July 10, 2025 [D.I. 681].

2. On July 11, 2025, the United States Trustee for the District of Delaware appointed Ricardo Palacio to serve as the Interim Chapter 7 Trustee in these Cases [D.I. 685].

OBJECTION

3. Based on a review of the docket of these jointly administered cases, it appears the Debtors undertook a number of steps to implement their restructuring. Ultimately, the Debtors confirmed a plan of reorganization (the “Plan”) [D.I. 247], and such Plan went effective on November 29, 2025 [D.I. 431]. Pursuant to the Plan, the Trustee understands the Debtors assumed a number of executory contracts/unexpired leases.

4. Unfortunately, the docket reflects that despite confirmation of the Plan, the Debtors were unable to generate sufficient cash to carry out their reorganization efforts and continue as a going concern. *See* MOTION OF REORGANIZED DEBTORS TO CONVERT THE CHAPTER 11 CASES TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE [D.I. 481]. Accordingly, after what appears to have been attempts post-Plan confirmation to effect a sale of certain or all of the Debtors’ assets, the chapter 11 cases were converted to cases under chapter 7 of the Bankruptcy Code. *See* D.I. 681

5. As a result of the confirmation of the Plan, certain parties, namely the Claimants, filed their Claims seeking allowance and/or payment of asserted administrative expense claims

arising from (a) the assumption of various unexpired leases or executory contracts via the Plan, and (b) the subsequent rejection thereof. *See* ORDER (I) AUTHORIZING THE REJECTION OF UNEXPIRED LEASES, EQUIPMENT LEASES, AND EXECUTORY CONTRACTS; (II) AUTHORIZING THE ABANDONMENT OF CERTAIN PERSONAL PROPERTY; AND (III) GRANTING RELATED RELIEF [D.I. 642].

6. Whether or not those Claims should be allowed in the first instance is something the Trustee cannot pass on at this time. The Trustee was just appointed one business day ago, and lacks any meaningful knowledge of this case or the Claims (and the bases therefor) that have been asserted. Indeed, the Trustee has not had the opportunity to analyze the history of these cases, let alone meet and confer with any representative of the Debtors.

7. Nor, critically, is it clear to the Trustee that funds are or will be available to make any distribution to the Claimants. Unless and until that determination is made, the Trustee should not be required to review, investigate and pass on the Claims. *See* 11 U.S.C. §704(a)(5) (“The trustee shall, *if a purpose would be served*, examine proofs of claim and object to the allowance of any claim that is improper”) (emphasis added). Here, no purpose is served in reviewing the Claims if no funds are or will be available for distribution. As such, fairness – to both the Trustee and other creditors of these estates – dictates that the Trustee be accorded sufficient time to review the merits of the Claims, and only then if a purpose will be served.

WHEREFORE, the Trustee respectfully requests that (a) the Claims be denied, without prejudice to filing the same later in the event funds are available for distribution on account of chapter 11 administrative expenses, or (b) the Court defer consideration of the Claims until such time as the Trustee has conducted the 341 meeting and determined that funds will be available for distribution to the Claimants on account of the Claims.

Dated: July 14, 2025

/s/ Ricardo Palacio

Ricardo Palacio (#3765)

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Interim Chapter 7 Trustee

Exhibit A

Administrative Expense Claims

Claimant

Brooks Shopping Centers, LLC
237 Park LH Owner LLC
ESRT 10 Union Square LLC
YJL Holdings LLC
SRI-WSA Properties I, LLC
UE Bergen Mall Owner LLC
432268, LLC

Related Docket No.

D.I. 605
D.I. 654
D.I. 659
D.I. 664
D.I. 666
D.I. 667
D.I. 669