

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,

Case No.: 24-10392 (DSJ)

Debtor.
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**SUPPLEMENTAL DECLARATION OF KENNETH P. SILVERMAN,
ESQ. IN SUPPORT OF CHAPTER 7 TRUSTEE'S APPLICATION
SEEKING AUTHORIZATION PURSUANT TO 11 U.S.C. § 721
TO OPERATE DEBTOR'S BUSINESS ON A LIMITED BASIS**

I, Kenneth P. Silverman, Esq., declare as follows:

1. I the chapter 7 trustee (the "Trustee") of the bankruptcy estate (the "Estate") of Buth-Na-Bodhaige, Inc. (the "Debtor"), with offices located at 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753. I am duly admitted to practice before this Court and the courts of the State of New York.

2. I submit this supplemental declaration (this "Declaration") in support of the application (the "Application")¹ seeking entry of an order authorizing me to operate the Debtor's business on a Limited Basis pursuant to Section 721 of Title 11 of the United State Code (the "Bankruptcy Code") and for such further relief as the Court deems proper.

3. I have reviewed the Application and relevant documents thereto and certify that its contents are true and correct to the best of my knowledge, and those facts are incorporated herein by reference.

The Inventory in the Debtor's Real Property

4. The Debtor's Real Property currently stores inventory owned by its parent company, the Body Shop International Limited ("TBSI"), a United Kingdom based company (the

¹ All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Application.



“Inventory”). The Real Property has historically been used by TBSI, the Debtor, and the Debtor’s Canadian affiliate, The Body Shop Canada Limited (the “Licensee”), as a distribution center through which inventory would flow to stores located in the United States and Canada. As of the date hereof, approximately \$6.5 million in Inventory is stored in the Real Property.

5. My retained professionals and I have determined that in order to market and sell the Real Property, I first need to ensure that a plan is in place to remove the Inventory from the Real Property, thus permitting me to deliver the Real Property vacant to any potential purchaser.

6. Through numerous discussions with the Canadian proposal trustee (the “Proposal Trustee”) and the U.K administrator (the “Administrator”), I was informed that TBSI and the Licensee both wish to retain the Inventory and would not abandon it. Accordingly, I engaged in lengthy discussions with the Proposal Trustee and the Administrator regarding the most efficient and cost-effective way to ensure that the Inventory is removed from the Real Property and transported to new locations. We determined that this process will likely take between 3 and 6 months (the “Removal Period”).

7. Importantly, the Proposal Trustee, the Administrator, and I discussed the need to ensure that the Real Property and the Debtor were properly insured, and that all necessary costs of owning and operating the Real Property (the “Real Property Costs”) were paid for the duration of the Removal Period so as not to burden the estate.

The License Agreement

8. On May 16, 2024, I filed a motion seeking entry of an order pursuant to 11 U.S.C. §§ 105 and 363 approving license agreement (the “License Agreement”) for Debtor’s real property and granting related relief (ECF Doc. No. 52).

9. The License Agreements provides for a term to commence as of April 1, 2024 and expiring on June 30, 2024, with three monthly renewal options that could extend the License Agreement to September 30, 2024.

10. In exchange for the license, Licensee has agreed pay a license fee in the amount of One Hundred Thousand and 00/100 United States Dollars (US\$100,000.00) (the “License Fee”) per month for the duration of the License Agreement. The License Agreement contemplates that I will ensure that operating expenses of the Real Property are timely paid.

11. The License Fee was calculated in order to ensure that amounts collected from the License Fee will be sufficient to cover all of the Real Property Costs into December 2024, which I have requested authority to pay pursuant to the Application. I expect that this period will be sufficient to conclude a sale of the Real Property, which was already extensively marketed by the Debtor prior to the Petition Date.

12. Moreover, if the License Agreement’s term is extended pursuant to the extension options in the License Agreement, additional funds will be available to cover the majority of the remaining expenses for which I seek authority to pay in the Application, thus substantially reducing any burden on the estate to make such payments.

13. Based on the foregoing, and as set forth in the Application, I believe the approval of the Application is in the best interests of the Debtor’s estate and its creditors.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Jericho, New York on May 16, 2024.

s/ Kenneth P. Silverman
Kenneth P. Silverman, Esq.