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*Proposed Attorneys for Debtors  
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re**

**CENTURY 21 DEPARTMENT STORES LLC,  
*et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-12097 (SCC)**

**(Joint Administration Requested)**

**MOTION OF DEBTORS REQUESTING AUTHORITY  
TO (I) CONTINUE USING EXISTING CASH MANAGEMENT  
SYSTEM, BANK ACCOUNTS, AND BUSINESS FORMS, (II) IMPLEMENT  
CHANGES TO THE CASH MANAGEMENT SYSTEM IN THE  
ORDINARY COURSE OF BUSINESS, (III) CONTINUE INTERCOMPANY  
TRANSACTIONS, AND (IV) PROVIDE ADMINISTRATIVE EXPENSE PRIORITY  
FOR POSTPETITION INTERCOMPANY CLAIMS, AND (V) FOR RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

<sup>1</sup> The Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”), along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Century 21 Department Stores LLC (4073), L.I. 2000, Inc. (9619), C21 Department Stores Holdings LLC (8952), Giftco 21 LLC (0347), Century 21 Fulton LLC (4536), C21 Philadelphia LLC (2106), Century 21 Department Stores of New Jersey, L.L.C. (1705), Century 21 Gardens Of Jersey, LLC (9882), C21 Sawgrass Blue, LLC (8286), C21 GA Blue LLC (5776), and Century Paramus Realty LLC (5033). The Debtors’ principal place of business is: 22 Cortlandt Street, 5th Floor, New York, NY 10007.

Century 21 Department Stores LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

### **Background**

1. On the date hereof (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these Chapter 11 Cases.

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their Chapter 11 Cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

3. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Norman R. Veit Jr. Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York*, sworn to on the date hereof (the “**Veit Declaration**”),<sup>2</sup> and the *Debtors’ Memorandum in Support of Chapter 11 Filings*, each filed with the Court contemporaneously herewith and incorporated by reference herein.

### **Jurisdiction**

4. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012

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<sup>2</sup> Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Veit Declaration.

(Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The Debtors confirm their consent, pursuant to Rule 7008 of the Bankruptcy Rules, to the entry of a final order by the Bankruptcy Court in connection with this Motion to the extent that it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

### **Relief Requested**

6. By this Motion, pursuant to sections 105(a), 363, 364, 503, and 507 of the Bankruptcy Code, the Debtors request authority to (a) continue their existing cash management system, including the continued maintenance of their existing bank accounts and business forms, (b) implement changes to their cash management system in the ordinary course of business, including opening new or closing existing bank accounts, (c) continue to perform under and honor intercompany transactions in the ordinary course of business, in their business judgment and at their sole discretion, and (d) provide administrative expense priority for postpetition intercompany claims, and (e) for related relief.

7. The Debtors further request that the Court authorize the financial institutions at which the Debtors maintain various bank accounts to (a) continue to maintain, service, and administer the Debtors' bank accounts, and (b) debit the bank accounts in the ordinary course of business on account of (i) wire transfers or checks drawn on the bank accounts, provided that any payments drawn, issued or made prior to the Petition Date shall not be honored absent direction of the Debtors and an order of the Court authorizing such payments, and (ii) undisputed service charges owed for maintenance of the Debtors' cash management system, if any.

8. A proposed form of order granting the relief requested in this Motion on an interim basis is attached hereto as **Exhibit A** (the “**Proposed Interim Order**”), and a proposed form of order granting the relief requested in this Motion on a final basis is attached hereto as **Exhibit B** (the “**Proposed Final Order**”).

**The Debtors’ Cash Management System and Bank Accounts**

9. As described in the Veit Declaration, in the ordinary course of business, the Debtors utilize an integrated, centralized cash management system to collect, concentrate, and disburse funds generated by their operations (the “**Cash Management System**”). In broad terms, the Debtors’ Cash Management System is similar to cash management systems used by other large retail enterprises. The Cash Management System is tailored to meet the Debtors’ needs as an operator of a retail chain with both physical locations and an e-commerce presence. The Cash Management System enables the Debtors to efficiently collect and disburse cash generated by their business, pay their financial obligations, centrally control and monitor corporate funds and available cash, comply with the requirements of their financing agreements, reduce administrative expenses, and obtain accurate account balances and other financial data. It is critical that the Cash Management System remain intact during these Chapter 11 Cases to ensure seamless continuation of transactions and uninterrupted collection of revenues.

10. The Cash Management System is comprised of fifty-seven bank accounts (collectively, the “**Bank Accounts**”), each of which is maintained at JPMorgan Chase Bank, N.A (“**Chase**”) and is used to collect, organize, and/or track various forms of cash receipts and disbursements. A list and description of each of the Bank Accounts is attached hereto as **Exhibit C**. The majority of the Bank Accounts are in the name of Debtors Century 21 Department Stores LLC, L.I. 2000, Inc. and Century 21 Department Stores of New Jersey LLC.

11. Chase is an authorized depository designated by the Office of the United States Trustee for Region 2 (the “**U.S. Trustee**”) pursuant to the U.S. Trustee’s Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (the “**UST Guidelines**”).

**Description of the Debtors’ Cash Management System**

12. The funds traverse the Cash Management System in three general phases. First, cash and other receivables generated by the Debtors’ operations are deposited into various deposit accounts, which are designated by store or e-commerce, and by type of payment (*i.e.*, cash versus credit card) or “other collections” (e.g., insurance, postage, refunds/claims, etc.).

13. Next, prior to the implementation of the Cash Dominion Practices as set forth below, the funds were transferred via either a wire or Automated Clearing House payment (“**ACH Payment**”) into the Debtors’ main concentration master collections account (Account No. x5752) (the “**Master Collections Account**” or “**Cash Dominion Account**”) maintained at Chase. Historically, the Master Collections Account would then be transferred to the master operating account (Account No. x5703) (the “**Main Operating Account**”) held by Debtor Century 21 Department Stores LLC. However, on July 10, 2020, Chase, in its capacity as Prepetition Agent under the Prepetition Credit Agreement<sup>3</sup> notified the Debtors that there were several defaults and a breach of cash dominion trigger thresholds under the Debtors’ Prepetition Credit Facility and, as a result, the Prepetition Agent and Prepetition Lenders were exercising their “rights to full cash dominion and exclusive control of the Concentration Account...” (the “**Cash Dominion**

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<sup>3</sup> The Debtors are borrowers under a \$125 million asset-based revolving credit facility (the “**Prepetition Credit Facility**”) evidenced by that certain Credit Agreement, dated January 4, 2017 (as amended, restated, supplemented or otherwise modified prior to the Petition Date, the “**Prepetition Credit Agreement**” by and among the Debtors, JPMorgan Chase Bank, N.A., as administrative agent (in such capacity, “**Prepetition Agent**”), and the lenders party thereto from time to time.

**Practices**”). Following the implementation of Cash Dominion Practices and through the Petition Date, available cash in various collection accounts of the Debtors was swept on a daily basis and applied against the outstanding balance under the Prepetition Credit Facility to reduce such balance.

14. The third and final phase in the operation of the Debtors’ Cash Management System involves disbursement of funds. Funds are generally disbursed from the Main Operating Account through various Disbursement Accounts (as defined below) to fund the Debtors’ operations. Some of the Disbursement Accounts are zero-balance accounts (“**ZBAs**”), and others (such as payroll and benefits) are manually funded and maintain a low balance. As a result of the Cash Dominion Practices, the Debtors now fund their operations from the amounts held or deposited in the Main Operating Account.

15. The Cash Management System is overseen by the personnel in the Debtors’ finance department (the “**Finance Department**”). Although much of the Cash Management System is automated, the Finance Department personnel monitor the Bank Accounts and manage the proper collection and disbursement of funds. The Debtors maintain robust controls relating to the Cash Management System. Members of the Finance Department, including the Chief Financial Officer, review daily reports on the Debtors’ cash balances and disbursements. Further, the Chief Executive Officer signs off on every disbursement.

16. Maintaining the Cash Management System in its current state is crucial to the Debtors’ continued operations, given the significant volume of cash transactions processed through the Cash Management System each day. Any disruption to the Cash Management System unnecessarily and significantly would hinder the Debtors’ complex day-to-day operations and impede the successful administration of their chapter 11 estates.

17. In furtherance of the foregoing, the Debtors request that Chase be authorized to continue to administer the Bank Accounts as they were maintained and administered prepetition, without interruption and in the usual and ordinary course, and to honor all representations from the Debtors as to which checks should be honored or dishonored. The Debtors also request that Chase be authorized to pay all checks, drafts, wires, and ACH Payments issued on the Bank Accounts for payment of any claims authorized by the Debtors arising on or after the Petition Date so long as those accounts contain sufficient funds. To the extent that the Debtors have directed that any prepetition checks be dishonored, they reserve the right to issue replacement checks to pay the amounts related to any dishonored checks, consistent with orders of this Court.

**A. Cash Collection**

18. As set forth in the Veit Declaration, the Debtors generate and receive funds through the operations and promotional activities of their physical and online stores. As part of their daily operations, the Debtors collect cash, checks, wire payments, and debit/credit card payments. This revenue is deposited into one of the Debtors' deposit accounts (collectively, the "Collection Accounts"), as more fully set forth above.

**B. Cash Concentration**

19. Funds deposited into various Collection Accounts are automatically swept into the Cash Dominion Account, and following the implementation of the Cash Dominion Practices, the funds were then swept to pay down the Prepetition Credit Facility. As a result of the Cash Dominion Practices, the Debtors have satisfied their operating obligations using the funds (including loan proceeds) held or deposited in the Main Operating Account.

20. As of the Petition Date, the Cash Dominion Practices will be replaced by the agreement set forth in the proposed cash collateral order, filed contemporaneously herewith.

**C. Cash Disbursements**

21. The Debtors use the funds in the Main Operating Account to fund their ongoing operations through a number of disbursement accounts (collectively, the “**Disbursement Accounts**”). The Disbursement Accounts are designated by type of disbursement. Three of the Disbursement Accounts are ZBAs. The Debtors maintain the ZBAs for, among other things, payments of vendors, where funds are automatically transferred from the Main Operating Account to fulfill draws made on any of the Disbursement Accounts.

22. As to non-ZBA Disbursement Accounts, the Debtors pre-fund the accounts when the Debtors anticipate a need for disbursements from these accounts, and the balances of the accounts are kept at a low level at all times.

23. For instance, the Debtors use several non-ZBA Disbursement Accounts (the “**Payroll Direct Deposit Accounts**”) to fund payroll and other employee benefits. The Debtors fund the Payroll Direct Deposit Accounts on a weekly basis by transferring funds from the Main Operating Account in an aggregate amount of the weekly net take-home pay of those employees of the Debtors who receive their salaries and wages via direct deposit or paycards, which are processed through ADP. Such funds from the Payroll Direct Deposit Accounts are then sent to the individual employees’ bank accounts. The Payroll Direct Deposit Accounts are not subject to the Cash Dominion Practices.

24. Finally, the Debtors maintain a standalone account at Chase for Debtor GiftCo 21 LLC with a nominal amount.

**D. Intercompany Transactions and Claims**

25. In the ordinary course of business, the Debtors maintain detailed accounting of revenues and expenses for each individual store and allocate certain overhead expenses to individual stores. After the Petition Date, the Debtors will begin grouping such store-by-store



accounting by legal entity, and will record inter-Debtor payables, receivables and other transactions between legal entities in the ordinary course (the “**Intercompany Transactions**”).

26. As noted in the Veit Declaration, the Debtors also have certain non-Debtor affiliates including Century 21, Inc. and its non-Debtor subsidiaries (collectively, the “Non-Debtor Affiliates”). The Non-Debtor Affiliates own certain real estate that is leased to the Debtors in the operation of their business. No amounts will be paid to the Non-Debtor Affiliates (other than post-petition rent) without further order of the Court. The Debtors will maintain records of any amounts paid to the Non-Debtor Affiliates.

**E. The Debtors’ Existing Business Forms and Checks**

27. In the ordinary course of business, the Debtors use several types of checks. Additionally, the Debtors use a variety of correspondence and business forms, including, but not limited to, letterhead, purchase orders, and invoices (collectively, the “**Business Forms**”).

28. To minimize expenses, the Debtors seek authorization to continue using all Business Forms and checks substantially in the forms used immediately prior to the Petition Date, without reference to the Debtors’ status as debtors in possession; provided that, in the event that the Debtors generate new Business Forms and/or checks during the pendency of the Chapter 11 Cases other than from their existing stock, such Business Forms and checks will include a legend referring to the Debtors as “Debtors in Possession.” To the extent practicable, the Debtors also will laser print such legend on any Business Forms and checks electronically generated during these Chapter 11 Cases.

**The Relief Requested Should Be Granted**

**A. Continuing the Cash Management System Is in the Best Interests of the Debtors, Their Creditors, and All Other Parties in Interest.**

29. The Cash Management System constitutes an ordinary course and essential business practice of the Debtors. The Cash Management System provides significant benefits to the Debtors including, among other things, the ability to (a) control corporate funds, (b) ensure the maximum availability of funds when and where necessary, and (c) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account information.

30. The operation of the Debtors' business requires that the Cash Management System continue during the pendency of these Chapter 11 Cases. As a practical matter, because of the Debtors' corporate and financial structure, it would be extremely difficult and expensive to establish and maintain a separate cash management system for each Debtor. Requiring the Debtors to adopt new, segmented cash management systems at this early and critical stage of these Chapter 11 Cases would be extraordinarily disruptive and harmful to their operations. Any such disruption would have a severe and adverse impact upon the Debtors' chapter 11 estates. Consequently, maintaining the existing Cash Management System is in the best interest of all parties in interest.

31. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." The purpose of section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of

section 363(c) is a debtor's ability to continue the "routine transactions" necessitated by a debtor's cash management system. *Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under section 363(c)(1) to continue the collection, concentration, and disbursement of cash pursuant to their existing Cash Management System.

32. Even if continuation of the Cash Management System and other relief requested herein is outside of the ordinary course, the Court nonetheless may approve it pursuant to section 363(b) of the Bankruptcy Code. Section 363(b) of the Bankruptcy Code provides, in relevant part, that "[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The business judgment rule applies and is satisfied where "the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." *See, e.g., Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993). Moreover, if "the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted). Courts in this District consistently have declined to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and have upheld a board's decisions as long as such decisions are attributable to any "rational business purpose." *Integrated*, 147 B.R. at 656 (quoting *CRTF Corp. v. Federated Dep't Stores*, 683 F. Supp. 422, 436 (S.D.N.Y. 1988)).

33. The Court also may rely on its general equitable powers to grant the relief requested in this Motion. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Continuing the Debtors’ Cash Management System without interruption is vital to the Debtors’ business operations and the success of these Chapter 11 Cases. Therefore, it is within the Court’s equitable powers under section 105(a) to approve the continued use of the Cash Management System.

34. Indeed, courts in this and other districts specifically have authorized debtors to maintain and continue using their existing cash management systems and prepetition bank accounts. *See In re KB US Holdings, Inc.*, Case No. 20-22962 (Bankr. S.D.N.Y. Aug. 25, 2020); *In re Barneys New York, Inc.*, Case No. 19-36300 (Bankr. S.D.N.Y. Aug. 7, 2019); *In re Tops Holding II Corporation*, Case No. 18-22279 (Bankr. S.D.N.Y. Feb. 23, 2018); *In Re BCBG Max Azria Global Holdings, LLC*, Case No. 17-10466 (Bankr. S.D.N.Y. Mar. 29, 2017); *In re Fairway Group Holdings Corp.*, Case No. 16-11241 (Bankr. S.D.N.Y. Jun. 1, 2016); *In re The Great Atl. & Pac. Tea Co.*, Case No. 15-23007 (Bankr. S.D.N.Y. August 11, 2015); *In re The Great Atl. & Pac. Tea Co.*, Case No. 10-24549 (Bankr. S.D.N.Y. Feb. 7, 2011); *In re Chassix Holdings, Inc.*, Case No. 15-10578 (Bankr. S.D.N.Y. Apr. 13, 2015); *In re MPM Silicones, LLC*, Case No. 14-22503 (Bankr. S.D.N.Y. May 16, 2014); *In re dELiA\*s, INC.*, Case No. 14-23678 (Bankr. S.D.N.Y. Dec. 24, 2014); *In re Inversiones Alsacia S.A.*, Case No. 14-12896 (Bankr. S.D.N.Y. Dec. 4, 2014); *In re SIGA Techs., Inc.*, Case No. 14-12623 (Bankr. S.D.N.Y. Oct. 23, 2014).

35. If the Debtors are not permitted to maintain and continue to use their Cash Management System, the resulting prejudice will include (a) severe and likely irreparable disruption of the Debtors’ ordinary financial affairs and business operations, (b) delay in the

administration of the Debtors' estates and (c) cost to the estates to set up new systems. Accordingly, the Debtors request that they be permitted to maintain and continue to use their existing Cash Management System to the extent set forth herein.

**B. Granting Administrative Expense Priority to Postpetition Intercompany Claims Is Necessary and Appropriate.**

36. The Debtors' funds are aggregated in the Cash Management System. The Debtors track, or will begin tracking, all fund transfers in their accounting system and have the ability to account for all Intercompany Transactions related to cash receipts, disbursements, and the centralized distribution of goods for sale. Continuation of the Intercompany Transactions in the Cash Management System is in the best interests of the Debtors, their estates, and all parties in interest. To ensure each individual Debtor will not fund, at the expense of its creditors, the operations of another entity, the Debtors request that, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, all claims related to Intercompany Transactions arising after the Petition Date be accorded administrative expense priority.

**C. Honoring Certain Prepetition Obligations Related to the Cash Management System Should Be Approved.**

37. The Debtors incur periodic service charges and other fees from Chase in connection with the maintenance of the Cash Management System (collectively, the "**Bank Fees**"), which, in 2019, were approximately \$205,000 in the aggregate. Similarly, the Debtors' credit card processors (collectively, the "**Card Companies**") deduct service charges before transferring the Debtors' credit card and debit card receivables (the "**Service Charges**"). Payment of any prepetition Service Charges is in the best interests of the Debtors and all parties in interest in these Chapter 11 Cases, as it will prevent unnecessary disruptions to the Cash Management System and ensure that the Debtors' receipt of funds are not delayed. Further, because Chase and the credit and debit card processors likely have setoff rights for the Service Charges, payment of

prepetition Service Charges should not alter the rights of unsecured creditors in these Chapter 11 Cases. The Debtors having articulated reasonable bases for the payment of these limited prepetition obligations, the Court should approve payment of the Bank Fees and Service Charges. *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174 (Bankr. S.D.N.Y. 1989) (finding that there must be a sound business justification to justify payment of prepetition wages); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 397 (S.D.N.Y. 1983) (relying on section 363 of the Bankruptcy Code to allow contractor to pay prepetition claims for suppliers).

**D. Maintenance of the Debtors' Existing Bank Accounts and Business Forms Is Warranted.**

38. The Debtors request that the Court waive the requirements of the UST Guidelines, which require, among other things, the closure of the Debtors' prepetition Bank Accounts, the opening of new bank accounts, and the immediate ordering of new business forms and checks with a legend referencing the Debtors as "Debtors in Possession." The Debtors seek an order authorizing Chase to continue to treat, service, and administer the Bank Accounts, including, but not limited to, those listed on Exhibit C, as accounts of the Debtors as debtors in possession without interruption and in the usual and ordinary course, and to receive, process, and honor and pay all checks, drafts, wires, or ACH Payments drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be; provided that any payments issued or made prior to the Petition Date will not be honored absent direction of the Debtors and an order of the Court.

39. The Debtors believe that their Chapter 11 Cases will be more orderly if they are permitted to maintain all Bank Accounts with the same account numbers during these Chapter 11 Cases. By preserving business continuity and avoiding the disruption and delay to the Debtors'

disbursement obligations, all parties in interest, including employees, vendors, and customers, will be best served by the relief requested. In addition, to the extent necessary, the Debtors request authorization to open new bank accounts at Chase or other authorized depositories designated by the U.S. Trustee.

40. To minimize expenses, the Debtors further request they be authorized to continue to use their Business Forms and checks, substantially in the forms existing immediately before the Petition Date, without reference to their status as debtors in possession; provided that in the event that the Debtors generate new Business Forms and/or checks during the pendency of these cases other than from their existing stock, such Business Forms and checks will include a legend referring to the Debtors as “Debtors in Possession.” To the extent practicable, the Debtors will work with their systems personnel and outside consultants to determine what computer system changes are required to reflect their status as debtors in possession on electronically-generated Business Forms and checks and will implement such changes.

41. By virtue of the nature and scope of the Debtors’ business operations and the large number of suppliers of goods and services with which the Debtors transact, it is important that the Debtors be permitted to continue to use their existing Business Forms without alteration or change, except as requested herein. Indeed, because parties doing business with the Debtors undoubtedly will be aware of the Debtors’ status as debtors in possession as a result of the publicized nature of these Chapter 11 Cases and the notice of commencement the Debtors are distributing to such parties, changing their Business Forms would be unnecessary and unduly burdensome.

**The Debtors Have Satisfied Bankruptcy Rule 6003(b)**

42. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting “a motion

to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” before twenty-one (21) days after filing of the petition. Immediate and irreparable harm exists where the absence of relief would impair a debtor’s ability to execute upon its chapter 11 objectives. *See In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (discussing the elements of “immediate and irreparable harm” in relation to Bankruptcy Rule 4001(c)(2)); *see also* Fed. R. Bankr. P. 6003, Committee Notes (noting that cases applying Bankruptcy Rule 4001(b)(2) and (c)(2) may “provide guidance” for relief under Bankruptcy Rule 6003).

43. The Cash Management System is critical to the Debtors’ ongoing operations. Modifications of, and disruptions to, the Cash Management System likely would cause large-scale payment delays and impede the Debtors’ ability to efficiently track the flow of funds. Late payments could frustrate the Debtors’ relationships with vendors and cause other severe and irreparable disruptions to the Debtors’ business. Additionally, changes to the Cash Management System could impair the Debtors’ ability to obtain important financial information in a timely manner. Ultimately, these outcomes would cause a diminution in the value of the Debtors’ estates, which would have a negative impact on all parties in interest. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

**Bankruptcy Rules 6004(a) and (h)**

44. To implement the foregoing successfully, the Debtors request that the Court find that notice of the Motion is adequate under Bankruptcy Rule 6004(a) under the circumstances, and waive the fourteen (14) day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above and in the Veit Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors.



Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the fourteen (14) day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

**Notice**

45. Notice of this Motion has been provided to (i) the United States Trustee for Region 2; (ii) the holders of the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (iii) the United States Attorney's Office for the Southern District of New York; (iv) counsel to the Prepetition Agent, Julia Frost-Davies (julia.frost-davies@morganlewis.com) and David Riley (david.riley@morganlewis.com); and (v) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "**Notice Parties**").

**No Prior Request**

46. No prior request for the relief sought herein has been made by the Debtors to this or any other court.

*[Remainder of page intentionally left blank]*

**CONCLUSION**

WHEREFORE the Debtors respectfully request entry of the Proposed Interim Order and Proposed Final Order and such other and further relief as the Court may deem just and appropriate.

Dated: September 10, 2020  
New York, New York

Respectfully submitted,

/s/ Lucy F. Kweskin

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*Proposed Attorneys for Debtors  
and Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re**

**CENTURY 21 DEPARTMENT STORES LLC,  
*et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-12097 (SCC)**

**(Joint Administration Requested)**

**[PROPOSED] INTERIM ORDER  
AUTHORIZING DEBTORS TO (I) CONTINUE USING  
EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS, AND BUSINESS  
FORMS, (II) IMPLEMENT CHANGES TO THE CASH MANAGEMENT SYSTEM  
IN THE ORDINARY COURSE OF BUSINESS, (III) CONTINUE INTERCOMPANY  
TRANSACTIONS, (IV) PROVIDE ADMINISTRATIVE EXPENSE PRIORITY FOR  
POSTPETITION INTERCOMPANY CLAIMS, AND (V) FOR RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of Century 21 Department Stores LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”), pursuant to sections 105(a), 363, 364, 503, and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”), or an order authorizing the Debtors to (a) continue their existing Cash Management System, including the continued maintenance of their existing Bank Accounts and Business Forms, (b) implement changes to their Cash Management System in the ordinary course of business, including opening new or closing existing Bank Accounts, (c) continue to perform under and honor intercompany transactions in the ordinary course of business, in their business judgment and at their sole discretion, and (d) provide administrative expense

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<sup>1</sup> The Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”), along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Century 21 Department Stores LLC (4073), L.I. 2000, Inc. (9619), C21 Department Stores Holdings LLC (8952), Giftco 21 LLC (0347), Century 21 Fulton LLC (4536), C21 Philadelphia LLC (2106), Century 21 Department Stores of New Jersey, L.L.C. (1705), Century 21 Gardens Of Jersey, LLC (9882), C21 Sawgrass Blue, LLC (8286), C21 GA Blue LLC (5776), and Century Paramus Realty LLC (5033). The Debtors’ principal place of business is: 22 Cortlandt Street, 5th Floor, New York, NY 10007.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

priority for postpetition intercompany claims, and for related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Hearing**”); and upon the Veit Declaration, filed contemporaneously with the Motion, and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT**

1. The Motion is granted on an interim basis to the extent set forth herein.
2. The Debtors are authorized and empowered pursuant to sections 105(a), 363, 364, 503, and 507 of the Bankruptcy Code, and subject to any interim or final Cash Collateral Order (as defined below), to continue using their integrated Cash Management System described in the

Motion and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany funding among Debtor affiliates.

3. The Debtors are authorized to implement changes to the Cash Management System in the ordinary course of business, including the opening of any new bank accounts and the closing of any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided that (a) any such new bank account is with a bank that is (i) insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and (ii) designated as an authorized depository by the U.S. Trustee pursuant to the U.S. Trustee's Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees, and (b) the Debtors provide notice to the U.S. Trustee and counsel for the Prepetition Agent of the opening of such new bank account.

4. The relief, rights, and responsibilities provided for in this Interim Order shall be deemed to apply to any and all Bank Accounts maintained in the Debtors' names, including any new bank accounts, whether or not such Bank Accounts are identified on Exhibit C to the Motion, and any banks at which new accounts are opened shall be subject to the rights and obligations of this Interim Order.

5. The Debtors are authorized to (a) continue to use, with the same account numbers, all of the Bank Accounts in existence as of the Petition Date, including those accounts identified on Exhibit C to the Motion; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) use, in their present form, all correspondence and business forms (including, but not limited to, letterhead, purchase orders, and invoices) (collectively, the "**Business Forms**"), as well as checks and all other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors

in possession; provided that in the event the Debtors generate new Business Forms and/or checks during the pendency of these Chapter 11 Cases, such Business Forms and checks shall include a legend referring to the Debtors as “Debtors in Possession,” and, to the extent practicable, the Debtors shall laser print such legend on any Business Forms and checks electronically generated during these Chapter 11 Cases.

6. The Debtors are authorized and empowered to continue performing under and honoring Intercompany Transactions; provided that the Debtors shall not be authorized to undertake any Intercompany Transactions that are (a) not on the same terms as, or materially consistent with, the Debtors’ operation of their business in the ordinary course during the prepetition period, or (b) prohibited or restricted by the terms of the Cash Collateral Order; provided further that the Debtors shall (x) keep records of any postpetition Intercompany Transactions that occur during the Chapter 11 Cases and (y) implement accounting procedures to identify and distinguish between prepetition and postpetition Intercompany Transactions.

7. In accordance with sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, all claims relating to Intercompany Transactions arising after the Petition Date shall be accorded administrative expense priority.

8. Except as otherwise expressly provided in this Interim Order, JPMorgan Chase Bank, N.A (“Chase”), the depository where each of the Bank Accounts is maintained, is authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, and ACH Payments issued by the Debtors and drawn on the Bank Accounts after the Petition Date to the extent the Bank Accounts have sufficient funds; provided that any payments drawn, issued or made prior to the Petition Date shall not be

honored absent direction of the Debtors and a separate order of the Court authorizing such prepetition payment.

9. Chase is authorized to debit the Debtors' accounts in the ordinary course of business without need for further order of this Court for: (a) all checks, items, and other payment orders drawn on the Debtors' accounts that are cashed at Chase's counters or exchanged for cashier's checks by the payees thereof prior to Chase's receipt of notice of filing of the petition; (b) all checks, ACH Payment entries, and other items deposited or credited to one of the Debtors' accounts with Chase prior to the Petition Date that have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such costs and fees prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to Chase as Bank Fees for the maintenance of the Cash Management System.

10. As of and after the Petition Date, Chase may rely on the representations of the Debtors with respect to whether any check, item, or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and Chase shall not have any liability to any party for relying on such representations by the Debtors as provided for herein, and shall not be liable to any party on account of (a) following the Debtors' representations, instructions, directions, or presentations as to any order of the Court (without any duty of further inquiry), (b) honoring of any prepetition checks, drafts, wires or ACH Payments in a good faith belief or upon a representation by the Debtors that the Court has authorized such prepetition check, draft, wire or ACH Payments or (c) an innocent mistake made despite implementation of reasonable handling procedures.



11. The Card Companies are authorized and directed to transfer all credit card receivables payable to the Debtors and to deduct any Service Charges, whether arising before or after the Petition Date, payable by the Debtors from such transfers.

12. Subject to the Cash Collateral Order (as defined below), nothing contained herein shall prevent Chase from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services subject to their compliance with applicable law.

13. Those certain existing deposit agreements between the Debtors and Chase shall continue to govern the postpetition cash management relationship between the Debtors and Chase, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or Chase may, without further order of this Court, implement changes to the Debtors' Cash Management System in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including the opening and closing of Bank Accounts; provided that (i) the Debtors consult with the Prepetition Agent prior to opening and/or closing any Bank Accounts; and (ii) provide notice to the U.S. Trustee and counsel to the Prepetition Agent of any changes to the Cash Management System.

14. Any existing or future Cash Dominion Practices shall not apply to the Payroll Direct Deposit Accounts.

15. As soon as practicable after the entry of this Interim Order, the Debtors shall serve on Chase a copy of this Interim Order.

16. Nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to accelerate any payments not otherwise due prior to the date of the final hearing to consider the relief requested in the Motion (the “**Final Hearing**”).

17. Nothing contained in the Motion or this Interim Order, nor any payment made pursuant to the authority granted by this Interim Order, is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors’ or any appropriate party in interest’s rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (d) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

18. Nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

19. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

20. Under the circumstances of these Chapter 11 Cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

21. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

22. This Interim Order is effective only from the date of entry through this Court’s disposition of the Motion on a final basis; provided that the Court’s ultimate disposition of the Motion on a final basis shall not impair or otherwise affect any action taken pursuant to this Interim Order.

23. Notwithstanding anything to the contrary in this Interim Order, any payment made or action taken by any of the Debtors pursuant to the authority granted in this Interim Order shall be in compliance with, and subject to (i) any interim or final order approving the Debtors' use of cash collateral (the "**Cash Collateral Order**"); and (ii) the Budget (as defined in the Cash Collateral Order). To the extent there is any inconsistency between the terms of the Cash Collateral Order and this Interim Order, the terms of the Cash Collateral Order shall control.

24. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order.

25. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Interim Order.

26. The Final Hearing shall be held on \_\_\_\_\_, **2020**, at \_\_\_\_\_ (**Prevailing Eastern Time**) and any objections or responses to the Motion shall be in writing, filed with the Court, and served upon (i) the proposed attorneys for the Debtors, Proskauer Rose LLP, Eleven Times Square, New York, New York 10036 (Attn: Lucy F. Kweskin.); Proskauer Rose LLP, 70 West Madison, Suite 3800, Chicago, IL 60602 (Attn: Jeff J. Marwil); Proskauer Rose LLP 2029 Century Park East, Suite 2400, Los Angeles, CA 90067-3010 (Attn: Peter J. Young), (ii) counsel to the Prepetition Agent, Morgan Lewis & Bockius LLP, One Federal Street, Boston, MA 02110, (Attn: Julia Frost-Davies); Morgan Lewis & Bockius LLP, 2049 Century Park East, Los Angeles, CA 90067 (Attn: David Riley, Esq.), (iii) the U.S. Trustee and (iv) the Committee (if any) so as to be actually received on or prior to **4:00 p.m. (Prevailing Eastern Time)** on \_\_\_\_\_  
**2020.**

Dated: \_\_\_\_\_, 2020  
New York, New York

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit B**

**Proposed Final Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re**

**CENTURY 21 DEPARTMENT STORES LLC,  
*et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-12097 (SCC)**

**(Joint Administration Requested)**

**[PROPOSED] FINAL ORDER  
AUTHORIZING DEBTORS TO (I) CONTINUE USING  
EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS, AND BUSINESS  
FORMS, (II) IMPLEMENT CHANGES TO THE CASH MANAGEMENT SYSTEM  
IN THE ORDINARY COURSE OF BUSINESS, (III) CONTINUE INTERCOMPANY  
TRANSACTIONS, (IV) PROVIDE ADMINISTRATIVE EXPENSE PRIORITY FOR  
POSTPETITION INTERCOMPANY CLAIMS, AND (V) FOR RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of Century 21 Department Stores LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”), pursuant to sections 105(a), 363, 364, 503, and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”), or an order authorizing the Debtors to (a) continue their existing Cash Management System, including the continued maintenance of their existing Bank Accounts and Business Forms, (b) implement changes to their Cash Management System in the ordinary course of business, including opening new or closing existing Bank Accounts, (c) continue to perform under and honor intercompany transactions in the ordinary course of business, in their business judgment and at their sole discretion, and (d) provide administrative expense

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<sup>1</sup> The Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”), along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Century 21 Department Stores LLC (4073), L.I. 2000, Inc. (9619), C21 Department Stores Holdings LLC (8952), Giftco 21 LLC (0347), Century 21 Fulton LLC (4536), C21 Philadelphia LLC (2106), Century 21 Department Stores of New Jersey, L.L.C. (1705), Century 21 Gardens Of Jersey, LLC (9882), C21 Sawgrass Blue, LLC (8286), C21 GA Blue LLC (5776), and Century Paramus Realty LLC (5033). The Debtors’ principal place of business is: 22 Cortlandt Street, 5th Floor, New York, NY 10007.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

priority for postpetition intercompany claims, and for related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion on an interim basis (the “**Interim Hearing**”); and the Court having entered an order granting the relief requested in the motion on an interim basis (ECF No. \_\_) (the “**Interim Order**”); and the Court having held a hearing to consider the relief requested in the Motion on final basis (the “**Final Hearing**”); and upon the Veit Declaration, filed contemporaneously with the Motion; and the Final Hearing having been held to consider the relief requested in the Motion on a final basis; and the upon the record at the Interim Hearing and the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis.
2. The Debtors are authorized and empowered pursuant to sections 105(a), 363, 364, 503, and 507 of the Bankruptcy Code, and subject to any interim or final Cash Collateral Order

(as defined below) to continue using their integrated Cash Management System described in the Motion and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany funding among Debtor affiliates.

3. The Debtors are authorized to implement changes to the Cash Management System in the ordinary course of business, including the opening of any new bank accounts and the closing of any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided that (a) any such new bank account is with a bank that is (i) insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and (ii) designated as an authorized depository by the U.S. Trustee pursuant to the U.S. Trustee's Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees, and (b) the Debtors provide notice to the U.S. Trustee and counsel for the Prepetition Agent of the opening of such new bank account.

4. The relief, rights, and responsibilities provided for in this Final Order shall be deemed to apply to any and all Bank Accounts maintained in the Debtors' names, including any new bank accounts, whether or not such Bank Accounts are identified on Exhibit C to the Motion, and any banks at which new accounts are opened shall be subject to the rights and obligations of this Final Order.

5. The Debtors are authorized to (a) continue to use, with the same account numbers, all of the Bank Accounts in existence as of the Petition Date, including those accounts identified on Exhibit C to the Motion; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) use, in their present form, all correspondence and business forms (including, but not limited to, letterhead, purchase orders, and invoices) (collectively, the "**Business Forms**"), as well as checks and all other documents related to the Bank Accounts



existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; provided that in the event the Debtors generate new Business Forms and/or checks during the pendency of these Chapter 11 Cases, such Business Forms and checks shall include a legend referring to the Debtors as "Debtors in Possession," and, to the extent practicable, the Debtors shall laser print such legend on any Business Forms and checks electronically generated during these Chapter 11 Cases.

6. The Debtors are authorized and empowered to continue performing under and honoring Intercompany Transactions; provided that the Debtors shall not be authorized to undertake any Intercompany Transactions that are (a) not on the same terms as, or materially consistent with, the Debtors' operation of their business in the ordinary course during the prepetition period, or (b) prohibited or restricted by the terms of the Cash Collateral Order; provided further that the Debtors shall (x) keep records of any postpetition Intercompany Transactions that occur during the Chapter 11 Cases and (y) implement accounting procedures to identify and distinguish between prepetition and postpetition Intercompany Transactions.

7. In accordance with sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code, all claims relating to Intercompany Transactions arising after the Petition Date shall be accorded administrative expense priority.

8. Except as otherwise expressly provided in this Final Order, JPMorgan Chase Bank, N.A ("Chase"), the depository where each of the Bank Accounts is maintained, is authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, and ACH Payments issued by the Debtors and drawn on the Bank Accounts after the Petition Date to the extent the Bank Accounts have sufficient funds; provided

that any payments drawn, issued or made prior to the Petition Date shall not be honored absent direction of the Debtors and a separate order of the Court authorizing such prepetition payment.

9. Chase is authorized to debit the Debtors' accounts in the ordinary course of business without need for further order of this Court for: (a) all checks, items, and other payment orders drawn on the Debtors' accounts that are cashed at Chase's counters or exchanged for cashier's checks by the payees thereof prior to Chase's receipt of notice of filing of the petition; (b) all checks, ACH Payment entries, and other items deposited or credited to one of the Debtors' accounts with Chase prior to the Petition Date that have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such costs and fees prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to Chase as Bank Fees for the maintenance of the Cash Management System.

10. As of and after the Petition Date, Chase may rely on the representations of the Debtors with respect to whether any check, item, or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and Chase shall not have any liability to any party for relying on such representations by the Debtors as provided for herein, and shall not be liable to any party on account of (a) following the Debtors' representations, instructions, directions, or presentations as to any order of the Court (without any duty of further inquiry), (b) honoring of any prepetition checks, drafts, wires or ACH Payments in a good faith belief or upon a representation by the Debtors that the Court has authorized such prepetition check, draft, wire or ACH Payments or (c) an innocent mistake made despite implementation of reasonable handling procedures.

11. The Card Companies are authorized and directed to transfer all credit card receivables payable to the Debtors and to deduct any Service Charges, whether arising before or after the Petition Date, payable by the Debtors from such transfers.

12. Subject to the Cash Collateral Order (as defined below), nothing contained herein shall prevent Chase from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services subject to their compliance with applicable law.

13. Those certain existing deposit agreements between the Debtors and Chase shall continue to govern the postpetition cash management relationship between the Debtors and Chase, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or Chase may, without further order of this Court, implement changes to the Debtors' Cash Management System in the ordinary course of business pursuant to the terms of those certain existing deposit agreements, including the opening and closing of Bank Accounts; provided that (i) the Debtors consult with the Prepetition Agent prior to opening and/or closing any Bank Accounts; and (ii) provide notice to the U.S. Trustee and counsel to the Prepetition Agent of any changes to the Cash Management System.

14. Any existing or future Cash Dominion Practices shall not apply to the Payroll Direct Deposit Accounts.

15. As soon as practicable after the entry of this Final Order, the Debtors shall serve a copy of this Final Order on Chase.

16. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as (a)

an admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, (c) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (d) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third party under section 365 of the Bankruptcy Code.

17. Nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

18. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

19. Under the circumstances of these Chapter 11 Cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

20. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be immediately effective and enforceable upon its entry.

21. Notwithstanding anything to the contrary in this Final Order, any payment made or action taken by any of the Debtors pursuant to the authority granted in this Final Order shall be in compliance with, and subject to (i) any interim or final order approving the Debtors' use of cash collateral (the "**Cash Collateral Order**"); and (ii) the Budget (as defined in the Cash Collateral Order). To the extent there is any inconsistency between the terms of the Cash Collateral Order and this Final Order, the terms of the Cash Collateral Order shall control.

22. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order.

23. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Final Order.

Dated: \_\_\_\_\_, 2020  
New York, New York

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit C**

**Bank Accounts**

<b>Account Description</b>	<b>Chase Acct#</b>	<b>Debtor Account Owner</b>
Chase Master Collections	100055752	Century 21 Department Stores LLC
Chase Operating - SG	100056131	L.I. 2000, Inc.
Chase Operating - 34th Street	537191758	Century 21 Department Stores LLC
Chase Operating - LS	100055851	Century 21 Department Stores LLC
Chase Operating - BK	100055901	Century 21 Department Stores LLC
Chase Operating -Staten Island	263935378	Century 21 Department Stores LLC
Chase Operating - CP	100055943	Century 21 Department Stores LLC
Chase Operating - LI	100056081	L.I. 2000, Inc.
Chase Operating - GA	100056057	L.I. 2000, Inc.
Chase Operating - MO	100056818	Century 21 Department Stores of New Jersey LLC
Chase Operating - American Dream	518367658	Century 21 Department Stores of New Jersey LLC
Chase Operating - JG	100056701	Century 21 Department Stores of New Jersey LLC
Chase Operating - PA	100056735	Century 21 Department Stores of New Jersey LLC
Chase Operating - CC	192822655	L.I. 2000, Inc.
Chase Operating - RP	100055984	Century 21 Department Stores LLC
Chase Operating - PH	100056388	C21 Philadelphia LLC
Chase Operating - NY	100055794	Century 21 Department Stores LLC
Chase Operating - Other Receipts	955242552	Century 21 Department Stores LLC
Chase Credit Card - SG	100056123	L.I. 2000, Inc.
Chase Credit Card - 34th Street	537835271	Century 21 Department Stores LLC
Chase Credit Card - LS	100055836	Century 21 Department Stores LLC
Chase Credit Card - BK	100055893	Century 21 Department Stores LLC
Chase Credit Card - CP	100055935	Century 21 Department Stores LLC
Chase Credit Card - LI	100056073	L.I. 2000, Inc.
Chase Credit Card - GA	100056040	L.I. 2000, Inc.
Chase Credit Card - MO	100056743	Century 21 Department Stores of New Jersey LLC
Chase Credit Card - American Dream	518367682	Century 21 Department Stores of New Jersey LLC
Chase Credit Card - JG	100056677	Century 21 Department Stores of New Jersey LLC
Chase Credit Card - PA	100056727	Century 21 Department Stores of New Jersey LLC
Chase Credit Card - CC	192822671	L.I. 2000, Inc.
Chase Credit Card - RP	100055976	Century 21 Department Stores LLC
Chase Credit Card - Ecom	100056032	Century 21 Department Stores LLC
Chase Credit Card - PH	100056362	C21 Philadelphia LLC

Chase Credit Card	100055778	Century 21 Department Stores LLC
Chase - Money Market	955272351	Century 21 Department Stores LLC
Chase Master Operating	100055703	Century 21 Department Stores LLC
Chase Accounts Payable	100056115	L.I. 2000, Inc.
Chase Accounts Payable	100056867	Century 21 Department Stores of New Jersey LLC
Chase Accounts Payable	100056438	C21 Philadelphia LLC
Chase Accounts Payable	100056024	Century 21 Department Stores LLC
Chase Payroll	100056172	L.I. 2000, Inc.
Chase Payroll	100056107	L.I. 2000, Inc.
Chase Payroll	100056834	Century 21 Department Stores of New Jersey LLC
Chase Payroll	100056404	C21 Philadelphia LLC
Chase Payroll	100056008	Century 21 Department Stores LLC
Chase FOREIGN A/P	129088263	Century 21 Department Stores LLC
Chase I. GIAMPIERO	331382215	I. Giampiero Inc.
Chase EUROPA SALES	331382223	Europa Sales Inc.
Chase PRESTIGE	331382231	Prestige Fashion, Inc.
Chase Change - SG	100056149	L.I. 2000, Inc.
Chase Change - 34th Street	537191972	Century 21 Department Stores LLC
Chase Change - LS	100055885	Century 21 Department Stores LLC
Chase Change - BK	100055919	Century 21 Department Stores LLC
Chase Change - CP	100055968	Century 21 Department Stores LLC
Chase Change - LI	100056099	L.I. 2000, Inc.
Chase Change - GA	100056065	L.I. 2000, Inc.
Chase Change - MO	100056826	Century 21 Department Stores of New Jersey LLC
Chase Change - American Dream	518367690	Century 21 Department Stores of New Jersey LLC
Chase Change - JG	100056719	Century 21 Department Stores of New Jersey LLC
Chase Change - PA	100056842	Century 21 Department Stores of New Jersey LLC
Chase Change - CC	192822663	L.I. 2000, Inc.
Chase Change - RP	100055992	Century 21 Department Stores LLC
Chase Change - PH	100056396	C21 Philadelphia LLC
Chase Change - NY	100055802	Century 21 Department Stores LLC
Benefits Account	955242560	Century 21 Department Stores LLC
Union Benefits	955242578	Century 21 Department Stores LLC
401K	955242586	Century 21 Department Stores LLC
Giftco 21 LLC	908980159	Giftco 21, Inc.