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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 FOR INTERIM AND  
FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE  
TO MAINTAIN THEIR INSURANCE POLICIES AND PROGRAMS  
AND SURETY BOND PROGRAM AND (B) HONOR CERTAIN OBLIGATIONS  
WITH RESPECT THERETO AND (II) MODIFICATION OF THE AUTOMATIC  
STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM**

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), 362(d), 363(b) and 503(b) of the Bankruptcy Code, the Debtors request (a) authority, but not direction to (i) continue to maintain, renew, or terminate, in their sole discretion, their Insurance Policies and Programs (including the Workers' Compensation Program and the Debtors' premium financing arrangements) and the Surety Bond Program (as defined herein), (ii) honor their Insurance and Surety Obligations (as defined herein) in the ordinary course of business during the administration of these Chapter 11 Cases, (iii) pay any prepetition Insurance Obligations, including, without limitation, amounts owed under the Premium Financing Agreements and to the Insurance Service Providers (each as defined herein), and (b) modification of the automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program.

7. 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 on a final basis as **Exhibit B** (the "**Proposed Final Order**" and, together with the Proposed Interim Order, the "**Proposed Orders**").

### **The Debtors' Insurance Policies and Programs**

8. In connection with the operation of the Debtors' business and the management of their properties, the Debtors maintain various insurance policies and a workers' compensation program (collectively, the "**Insurance Policies and Programs**," and all premiums and other obligations related thereto, including any broker or advisor fees, assessments, taxes or other fees, collectively, the "**Insurance Obligations**") through several different insurance carriers (the "**Insurance Carriers**") including, but not limited to, those Insurance Policies and Programs and Insurance Carriers listed on **Annex 1** annexed to the Proposed Orders.<sup>3</sup>

#### **A. The Insurance Policies**

9. The Debtors maintain various liability, property and other insurance policies (collectively, the "**Insurance Policies**"), which provide the Debtors with insurance related to, among other things, property and boiler, excess property, general liability, employment practices liability, employment practices punitive, umbrella, excess umbrella, fidelity and crime, automobile, workers' compensation, ocean and marine, nuclear, biological and chemical, storage tank, pollution, cyber, cyber liability excess, and flood liability. The Debtors maintain the Insurance Policies to help manage and limit the various risks associated with operating their business. The Insurance Policies are essential to the preservation of the value of the Debtors' assets.

10. Some of the Insurance Policies are required by the various regulations and laws that govern the Debtors' commercial activities. Section 1112(b)(4)(C) of the Bankruptcy

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<sup>3</sup> Due to the size, complexity and number of business units that the Debtors operate, it is possible that certain of the Debtors' Insurance Policies and Programs may have been inadvertently omitted from the list of Insurance Policies and Programs annexed as **Annex 1** to the Proposed Orders. Accordingly, **Annex 1** represents a non-exhaustive list of the Debtors' Insurance Policies and Programs. Further, the Debtors may, in the future, enter into new Insurance Policies and Programs not listed on **Annex 1**.

Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public,” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). Furthermore, the Guidelines of the United States Trustee for Region 2 require debtors to maintain insurance coverage throughout their Chapter 11 Cases.<sup>4</sup> By this Motion, the Debtors seek authority, but not direction, to continue and renew, as applicable, the Insurance Policies and Programs.

11. Pursuant to the Insurance Policies, the Debtors pay premiums based upon rates established and billed by each Insurance Carrier (collectively, the “**Insurance Premiums**,” including those listed on **Annex 1** to the Proposed Orders). The aggregate annual cost of the Insurance Premiums is approximately \$6.5 million. Many of the Debtors’ policies renew in August and September. Approximately \$781,000 in Insurance Premiums on account of recently renewed and financed Insurance Policies for workers’ compensation, general liability, and automobile policies will become due and owing in the first thirty days following the Petition Date. By this Motion, the Debtors seek authority, but not direction, to pay such Insurance Premiums, any other Insurance Premiums that may become due and owing during these Chapter 11 Cases.<sup>5</sup>

#### **B. The Workers’ Compensation Program**

12. The Debtors maintain workers’ compensation insurance, as required by state statutes, that insures their employees in each of the states in which they operate (the “**Workers’ Compensation Program**”). The Workers’ Compensation Program is composed of two policies, provided by Everest and New York State Insurance Fund. As of the Petition Date,

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<sup>4</sup> See U.S. Dep’t of Justice, Office of the United States Trustee, Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (Revised 12/27/19) ¶ 6.

<sup>5</sup> The Debtors reserve the right, subject to the consent of the Prepetition Agent, to reduce or cancel coverage in the event that it is no longer necessary.

there are approximately eighteen open claims under the Workers' Compensation Program. The Debtors' workers' compensation policies provide first dollar coverage. Accordingly, the Debtors do not anticipate any amounts to be owing postpetition with respect to workers' compensation claims.

13. In addition, insurance carriers and self-insured employers are required to pay state assessments to cover the administrative costs of the state workers' compensation board, and insurance carriers pass through the cost to employers through a surcharge on annual premiums. Assessments are billed by states in which the Debtors currently operate, as well as by states in which the Debtors previously operated, and for which workers' compensation claims remain pending. As of the Petition Date, the Debtors owe approximately \$150,000 in state assessments.

14. By this Motion, the Debtors request authority, but not direction, to pay any prepetition premiums, workers' compensation assessments, claims and other obligations, and to maintain their Workers' Compensation Program in the ordinary course of business.

#### **The Debtors' Insurance Financing Arrangements**

15. Generally, the Debtors' Insurance Policies require annual premium payments to be made at the beginning of the applicable policy period. Because it is not always economically advantageous for the Debtors to pay premiums on a lump-sum basis, the Debtors finance certain of their Insurance Premiums, typically in the amount of approximately \$2.75 million per year, including for policies relating to property and general liability. The Debtors finance such policies pursuant to premium financing agreements (the "**Premium Financing Agreements**"), with certain financiers (the "**Premium Financiers**"), including, but not limited to, those premium financing arrangements described on **Annex 2** annexed to the Proposed Orders.

16. Under the Premium Financing Agreements, the Premium Financiers have agreed to pay the financed premium payments to the Debtors' respective Insurance Carriers when

due. In exchange, the Debtors agreed to pay the Premium Financiers a down payment (currently approximately 20-55% of the total premium) followed by monthly installments of smaller payments. The amounts financed under the Premium Financing Agreements currently accrue interest at a rate of approximately 3.25%. As part of the Premium Financing Agreements, the Debtors granted the Premium Financiers a security interest in, among other things, any and all unearned premiums and dividends which may become payable for any reason under the financed Insurance Policies. If the Debtors do not satisfy their obligations under the Premium Financing Agreements, the Premium Financiers have the right, subject to the automatic stay, to, among other things, terminate covered Insurance Policies. As of the Petition Date, the Debtors are not aware of any outstanding prepetition amounts owed to the Premium Financiers under the Premium Financing Agreements, but do anticipate payments will be made in the first twenty-one days of the Chapter 11 Cases.

17. By this Motion, the Debtors request authority, but not direction, to continue making payments pursuant to the Premium Financing Agreements, and to renew such agreements and enter into new Premium Financing Agreements, with notice to and consent of the Prepetition Agent, as necessary in the ordinary course of business.

#### **The Debtors' Insurance Service Providers**

18. In connection with the Insurance Policies and Programs, the Debtors employ certain insurance service providers (the "**Insurance Service Providers**") to help them procure, negotiate, and evaluate the Insurance Policies and Programs and process claims related thereto.

19. The Debtors utilize certain insurance brokers, such as MSG Consulting, Inc., Alliant, I. Dachs & Sons, and others, (the "**Insurance Brokers**"), to assist with the procurement and negotiation of certain Insurance Policies and, in certain circumstances, to remit

payment to the Insurance Carriers on behalf of the Debtors for the relevant policy periods. The Insurance Brokers' fees (the "**Broker Fees**") are generally paid through the premium payments made on account of the Insurance Policies. In addition, the Debtors pay a consulting fee of approximately \$200,000 annually to MSG Consulting. The Debtors estimate that they have no outstanding obligations owed to the Insurance Brokers for Broker Fees. Because of the Insurance Brokers' intimate familiarity with the Debtors and the Insurance Policies, and their ability to maintain coverage for the Debtors as required, the Debtors however request authority, but not direction, to pay any prepetition Broker Fees that may be owed to the Insurance Brokers.

#### **The Debtors' Historical Surety Bond Program**

20. Although the Debtors do not have any active surety bonds outstanding,<sup>6</sup> historically, the Debtors maintained a surety bond program (the "**Surety Bond Program**"). In the ordinary course of business, the Debtors have been required to provide surety bonds to certain third parties (the "**Obligees**"), including governmental units and other public agencies, to secure the Debtors' payment or performance of certain obligations in connection with import customs duties, or other obligations as may arise in the ordinary course of business (the "**Surety Bonds**").

21. The Debtors do not seek by this Motion authority to pay prepetition amounts relating to Surety Bonds. However it may be necessary for the Debtors to renew or enter into new surety bonds in the ordinary course of business and consistent with past practice. Accordingly, the Debtors request authority to enter into or renew Surety Bonds with the consent of the Prepetition Agent.

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<sup>6</sup> Prior to the Petition Date, the Debtors maintained a customs bond, however, this bond has been cancelled.



**Relief Requested Should Be Granted**

**A. Maintaining Insurance Policies and Programs and Surety Bond Program and Payment of Obligations Related Thereto Is Warranted under the Bankruptcy Code**

22. The Court may grant the relief requested herein pursuant to sections 363(b), 503(b), and 105(a) of the Bankruptcy Code.

23. 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). Under section 363 of the Bankruptcy Code, a court may authorize a debtor to pay certain prepetition claims if a sound business purpose exists for doing so. *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). The business judgment rule 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 a 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)).

24. Section 503(b)(1) of the Bankruptcy Code provides that:

After notice and a hearing, there shall be allowed, administrative expenses [ ], including . . . the actual, necessary costs and expenses of preserving the estate.

11 U.S.C. § 503(b)(1)(A). The Court, therefore, can authorize the Debtors to use estate funds to pay any Insurance and Surety Obligations arising or relating to the period after the Petition Date.

25. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts 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. Section 1107(a) of the Bankruptcy Code “contains an implied duty of the debtor-in-possession” to “protect and preserve the estate, including an operating business’ going-concern value,” on behalf of a debtor’s creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232-33 (Bankr. S.D.N.Y. 1998) (“[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.”).

26. The Court may also authorize the payment of prepetition claims in appropriate circumstances under section 105(a) of the Bankruptcy Code and the doctrine of necessity when such payment is essential to the continued operation of a debtor’s business. *See, e.g., In re C.A.F. Bindery, Inc.*, 199 B.R. 828, 835 (Bankr. S.D.N.Y. 1996); *In re Fin. News*

*Network Inc.*, 134 B.R. 732, 735-36 (Bankr. S.D.N.Y. 1991); *CoServ*, 273 B.R. at 497 (“[I]t is only logical that the bankruptcy court be able to use Section 105(a) of the Bankruptcy Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.”); and *In re Just for Feet*, 242 B.R. 821, 824-25 (D. Del. 1999) (holding that section 105(a) of Bankruptcy Code provides a statutory basis for payment of prepetition claims under doctrine of necessity and noting that the Court has “power to authorize payment of pre-petition claims when such payment is necessary for the debtor’s survival during chapter 11”).

27. As noted herein, the Debtors are required or have been historically required to maintain certain Insurance Policies and Programs and the Surety Bond Program and the nature of the Debtors’ business makes it essential for them to maintain all Insurance Policies and Programs on an ongoing and uninterrupted basis. If any of the Debtors’ Insurance Policies and Programs are terminated or lapse, the Debtors could be exposed to substantial liability to the detriment of all parties in interest. Additionally, the Debtors must maintain Insurance Policies and Programs to comply with the guidelines of the United States Trustee.

28. Similarly, pursuant to state law, the Debtors must maintain the Workers’ Compensation Program. If the Debtors fail to maintain the Workers’ Compensation Program, among other things, state law may prohibit them from operating. *See, e.g.*, New York Workers’ Compensation Law, Article 8, § 141(a)-(b). Granting authority to pay all workers’ compensation obligations, therefore, is crucial to the continued operation of the Debtors’ business.

29. With respect to the continued assistance of the Insurance Service Providers and the payment of their fees in the ordinary course, the Insurance Brokers are intimately familiar with the Debtors’ Insurance Policies and Programs, and the Debtors believe that the loss of an Insurance Service Provider (or even a temporary disruption in their services) would be detrimental

to the Debtors' chapter 11 estates, because the Debtors' would need to shift some of their focus from administering their estates to managing the Debtors' multitude of insurance policies. The cost incurred in transitioning to alternative service providers likely would outweigh the prepetition amounts that may ultimately be owed to such parties. Accordingly, the continuation of the Insurance Policies and Programs and the authority to pay, in the Debtors' discretion, all Insurance Obligations, including any unpaid prepetition Insurance Obligations, is essential to preserve the Debtors' business and the value of the Debtors' estates for all parties in interest.

30. With respect to the historical Surety Bond Program, to continue their business operations during the reorganization process, the Debtors may need to be able to provide financial assurances to governments and regulatory agencies. This may require the Debtors to maintain a historical Surety Bond Program, including renewing, or potentially acquiring additional bonding capacity as needed in the ordinary course of the Debtors' business. The Prepetition Agent's consent will be required to enter into or renew Surety Bonds.

**B. Automatic Stay Should Be Modified for Workers' Compensation Claims**

31. Section 362(a)(1) of the Bankruptcy Code operates to stay:

the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title . . . .

11 U.S.C. § 362(a)(1). Section 362(d)(1), however, permits a debtor or other party in interest to request a modification or termination of the automatic stay for "cause."

32. To the extent the Debtors' employees hold valid claims under the Workers' Compensation Program, the Debtors request a modification of the automatic stay to permit the Debtors' employees to proceed with their workers' compensation claims, in the appropriate

judicial or administrative forum, and for the Debtors to pay and honor any prepetition workers' compensation claims. There is cause to modify the automatic stay because staying the workers' compensation claims could cause employee departures or otherwise harm employee morale, which would severely disrupt the Debtors' business and prevent a successful reorganization.

33. Courts in this district and others have regularly approved modification of the automatic stay to permit the debtors' employees to proceed with their workers' compensation claims. *See, e.g. In re Walter Inv. Mgmt. Corp.*, Case No. 17-13446 (JLG) (Bankr. S.D.N.Y. Dec. 6, 2017) [ECF No. 66]; *In re Cent. Grocers, Inc.*, Case No. 17-10993 (LSS) (Bankr. D. Del. May 5, 2017) [ECF No. 63]; *In re Basic Energy Services, Inc.*, Case No. 16-12320 (KJC) (Bankr. D. Del. Oct. 26, 2016) [ECF No. 56]; *In re Golfsmith Int'l Holdings, Inc.*, Case No. 16-12033 (LSS) (Bankr. D. Del. Sept. 15, 2016) [ECF No. 68]; *In re Breitburn Energy Partners LP*, Case No. 16-11390 (SMB) (Bankr. S.D.N.Y. May 20, 2016) [ECF No. 64]; *In re Chassix Holdings, Inc.*, Case No. 15-10578 (MEW) (Bankr. S.D.N.Y. Mar. 13, 2015) [ECF No. 84]; and *In re AMR Corp.*, Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Nov. 30, 2011) [ECF No. 61].

#### **Reservation of Rights**

34. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) 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; (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder; or (iv) 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. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

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

35. 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. As described herein, the Debtors’ are required to maintain many of their Insurance Policies and Programs. In addition, the termination or non-renewal of any of the Insurance Policies and Programs as a result of the Debtors’ failure to pay any Insurance Obligations could subject the Debtors to substantial administrative liability as well as a potential cessation of operations, to the detriment of 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)**

36. 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, 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**

37. 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); (v) the Insurance Carriers identified on **Annex 1** to the Proposed Interim Order; (vi) the Insurance Service Providers; (vii) the Premium Financiers identified on **Annex 2** to the Proposed Interim Order; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “**Notice Parties**”).

38. The Debtors respectfully submit that no further notice is required.

**No Prior Request**

39. 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]*

WHEREFORE the Debtors respectfully request entry of interim and final orders granting the relief requested herein 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)**

**INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE  
TO MAINTAIN THEIR INSURANCE POLICIES AND PROGRAMS  
AND SURETY BOND PROGRAM AND (B) HONOR CERTAIN OBLIGATIONS  
WITH RESPECT THERETO AND (II) MODIFYING THE AUTOMATIC  
STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM**

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), 362(d), 363(b) and 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), for (a) authority, but not direction to (i) continue to maintain, renew, or terminate, in their sole discretion, their Insurance Policies and Programs (including the Workers’ Compensation Program and the Debtors’ premium financing arrangements) and the Surety Bond Program, (ii) honor their Insurance and Surety Obligations in the ordinary course of business during the administration of these Chapter 11 Cases, (iii) pay any prepetition Insurance Obligations, including, without limitation, amounts owed under the Premium Financing Agreements and to the Insurance Service Providers, and (b) modification of the

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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.

automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program, 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, but not directed, to pay, in the ordinary course of business, all Insurance Obligations (including, without limitation, amounts owed under the Premium Financing Agreements and to the Insurance Service Providers) arising under or relating to the Insurance Policies and Programs, including, without limitation, any new Insurance Policies

and Programs, and whether or not such Insurance Policies and Programs are listed on **Annex 1** hereto, and any new Premium Financing Agreements, whether or not such Premium Financing Agreements are listed on **Annex 2** hereto, regardless of whether accruing or relating to the period before or after the Petition Date; provided that, the Debtors are authorized, but not directed, to pay only amounts due and payable as of the Petition Date and amounts that are or become due and payable between the Petition Date and the date that a final order on the Motion is entered, unless otherwise ordered by the Court.

3. In accordance with this Interim Order (or any other order of this Court), each of the financial institutions at which the Debtors maintain their accounts relating to the payment of any obligations described in the Motion are authorized and directed to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise, and without liability for the following the Debtors' instructions.

4. The Debtors are authorized, but not directed, to maintain their Insurance Policies and Programs, including the arrangements under the Premium Finance Agreements, in accordance with practices and procedures that were in effect before the commencement of these Chapter 11 Cases.

5. The Debtors, with notice to and the consent of the Prepetition Agent, are authorized, but not directed, to revise, extend, supplement or otherwise modify their insurance

coverage or Surety Bonds as needed, including without limitation, through the purchase or renewal of new or existing insurance policies or Surety Bonds or through entering into or renewing new or existing premium financing agreements.

6. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay shall be modified to the extent necessary to permit the Debtors' employees to proceed with any claims that they may have under the Workers' Compensation Program and for the Debtors to honor and pay such obligations whether or not arising prior to the Petition Date.

7. 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**").

8. 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 must be in compliance with, and shall be subject to: (i) any interim or final order approving the Debtors' use of cash collateral and/or any postpetition financing facility (in either case, the "**Cash Collateral Order**"); (ii) the documentation in respect of any such use of cash collateral and/or postpetition financing; and (iii) the budget governing any such use of cash collateral and/or postpetition financing. 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.

9. 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 (i) an admission as to the validity of any claim against the Debtors, (ii) 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, (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (iv) 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.

10. 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.

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

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

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

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

15. 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.

16. 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, 70 West Madison, Ste. 3800 Chicago, IL 60602-4342 (Attn: Jeff J. Marwil, Esq.); Eleven Times Square, New York, New York 10036 (Attn: Lucy F. Kweskin, Esq.); (ii) the United States Trustee for Region 2; and (iii) 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.), in each case, 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

\_\_\_\_\_  
HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Annex 1**

**Policy Schedule**

<b>Type of Coverage</b>	<b>Insurer</b>	<b>Policy Number(s)</b>	<b>Policy Term</b>	<b>Annual Premium</b>
<i>Property/Boiler</i>	Liberty Mutual Lloyds of London	YS2-L9L-464440-019 PG1902704	8/1/2020-8/1/2021	\$226,625
<i>Property/Boiler</i>	Steadfast (Zurich E &S)	XPP-5492113-06	8/1/2020-8/1/2021	\$78,450
<i>Property/Boiler</i>	Axis	EAF624722-19	8/1/2020-8/1/2021	\$123,226
<i>Property/Boiler</i>	Starr Surplus	SLSTPTY11215019	8/1/2020-8/1/2021	\$123,226
<i>Property/Boiler</i>	Lloyds (Houston Casualty)	PG1902346	8/1/2020-8/1/2021	\$41,897
<i>Property/Boiler</i>	Lloyds (SII 1945)	PG1902346	8/1/2020-8/1/2021	\$13,407
<i>Property/Boiler</i>	Lloyds (UUL9797)	PG1902346	8/1/2020-8/1/2021	\$16,758
<i>Property/Boiler</i>	Lloyds (APL)	PG1902346	8/1/2020-8/1/2021	\$33,517
<i>Property/Boiler</i>	Lloyds (AMA 1200)	PG1902696	8/1/2020-8/1/2021	\$34,555
<i>Property/Boiler</i>	Lloyds (NEO 2468/4242)	PG1902696	8/1/2020-8/1/2021	\$43,194
<i>Property/Boiler</i>	Lloyds (ATL)	PG1902698	8/1/2020-8/1/2021	\$57,592

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Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Property/Boiler</i>	Lloyds (CHN 2015)	PG1902707	8/1/2020-8/1/2021	\$28,796
<i>Property/Boiler</i>	Lloyds (HDU)	PG1902702	8/1/2020-8/1/2021	\$35,100
<i>Property/Boiler</i>	Allianz	USP00080719	8/1/2020-8/1/2021	\$217,346
<i>Property/Boiler</i>	Endurance American Specialty Ins.	ARP110011564202	8/1/2020-8/1/2021	\$27,025
<i>Property/Boiler</i>	Lloyds (LIB)	PG1902712	8/1/2020-8/1/2021	\$23,659
<i>Excess Property</i>	Evanston Ins. Co.	MKLV10XP003501	8/1/2020-8/1/2021	\$29,567
<i>Excess Property</i>	Liberty Mutual	MQ2-L9L-464440-029	8/1/2020-8/1/2021	\$18,553
<i>Excess Property</i>	Great American	CPP 863 59-89-12	8/1/2020-8/1/2021	\$70,044
<i>Excess Property</i>	Landmark American	LHT909486	8/1/2020-8/1/2021	\$9,079
<i>Excess Property</i>	Axis Surplus Lines	EAF632184-19	8/1/2020-8/1/2021	\$20,754
<i>Excess Property</i>	QBE Specialty	CFE1317141	8/1/2020-8/1/2021	\$33,271
<i>Excess Property</i>	QBE Specialty	CFE1317141	8/1/2020-8/1/2021	\$11,872

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Exhibit A

Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Excess Property</i>	Homeland Ins. Co. of Delaware (One Beacon)	795010502	8/1/2020-8/1/2021	\$88,204
<i>Excess Property</i>	Allianz Global Beazley Lloyds HIS Lloyds APL Lloyds TRV Lloyds XLS Lloyds AML Lloyds AUL	USL00103218 B6012BUSACONT18 PG1902350	8/1/2020-8/1/2021	\$17,251 \$10,377 \$20,754 \$6,911 \$8,654 \$10,377 \$20,754 \$7,782
<i>General Liability</i>	Starr Indemnity & Liability Co.	1000305306201	4/1/20-21	\$874,590
<i>EPLI</i>	Beazley	V1232E190801	1/31/20-1/31/21	\$144,281
<i>EPLI Punitive</i>	Paragon	B0146ERUSA1900001	1/31/20-1/31/21	\$14,428
<i>Umbrella</i>	Allied Workd Assurance Co (US) Inc.(Admitted)	0307-5750	4/1/20-21	\$237,350
<i>Umbrella</i>	Aspen	CX00G4Q20	4/1/20-21	\$80,713
<i>Excess Umbrella</i>	Zurich American Ins. Co.	AEC937978416	4/1/20-21	\$64,650
<i>Excess Umbrella</i>	Chubb	798167-11	4/1/20-21	\$45,450

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Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Excess Umbrella</i>	Liberty Mutual (Ohio Casualty)	ECO2156038963	4/1/20-21	\$31,997
<i>Excess Umbrella</i>	Fireman's Fund	USL005770206	4/1/20-21	\$6,375
<i>Fidelity/Crime</i>	Berkley	BCCR 45002454-22	11/30/19-11/30/21	\$36,654
<i>Automobile</i>	Starr Indemnity	1000198458191	4/1/20-21	\$335,035 \$12,354 \$12,234
<i>Workers Compensation</i>	New York State Insurance Fund	L814 095-6	2/2/20-21	\$23,396
<i>Workers Compensation</i>	Everest	RM1GL00015 RM1WC00023	3/31/20-21	\$1,837,450
<i>Ocean Marine</i>	Tokio Marine & Nichido Fire	T060010993	3/1/20-3/1/21	\$50,000
<i>Nuclear, Biological &amp; Chemical Liability</i>	Allianz	USL00168019	3/6/19-3/6/22	\$558,357
<i>Nuclear, Biological &amp; Chemical Liability Excess</i>	Tokio Marine	PPK1956239	3/6/19-3/6/22	\$157,566
<i>Storage Tank Liability</i>	Chubb (Ace American)	G28309569 002	5/23/20-21	\$350

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Exhibit A

Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Pollution Legal Liability</i>	Tokio Marine	PPK1854322	7/15/18-23	\$110,425
<i>Cyber Liability</i>	Beazley	B0180/PH2001787	2/1/20-21	\$126,815
<i>Cyber Liability Excess</i>	XL (Greenwich Ins.)	MTE 9034305 03	2/1/20-21	\$83,021
<i>Flood</i>	Hartford	87060123922017	11/23/19-20	\$2,401
<i>Flood</i>	Philadelphia	87028576722018	9/22/19-20	\$1,600
<i>Flood</i>	Wright National Flood	29115162580402	6/17/20-21	\$2,451
<i>Flood</i>	Wright National Flood	29115188742500	9/5/19-20	\$8,558
<i>Flood</i>	Wright National Flood	29115162579202	6/17/20-21	\$4,664

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 Exhibit A

**Annex 2**

**Premium Financing Arrangements**

<b>Premium Financier</b>	<b>Insurer</b>	<b>Type of Coverage</b>	<b>Policy Term</b>	<b>Financed Premium</b>	<b>Down Payment</b>	<b>Installment Amount</b>	<b>No. of Installments Outstanding</b>	<b>Interest Rate</b>
AFCO Credit Corporation	Various Policies (I Dachs & Sons, broker)	General Liability	4/1/20-21	\$1,753,167.94	\$914,424.00	\$141,730.77	4	3.017%
First Insurance Funding	Various Policies (Alliant Insurance Services - Real Estate, broker)	Property/Boiler	8/1/20-21	\$2,398,202.36	\$495,595.38	\$214,273.82	9	3.250%

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**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)**

**FINAL ORDER (I) AUTHORIZING DEBTORS TO (A) CONTINUE  
TO MAINTAIN THEIR INSURANCE POLICIES AND PROGRAMS  
AND SURETY BOND PROGRAM AND (B) HONOR CERTAIN OBLIGATIONS  
WITH RESPECT THERETO AND (II) MODIFYING THE AUTOMATIC  
STAY WITH RESPECT TO THE WORKERS' COMPENSATION PROGRAM**

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), 362(d), 363(b) and 503(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), for (a) authority, but not direction to (i) continue to maintain, renew, or terminate, in their sole discretion, their Insurance Policies and Programs (including the Workers’ Compensation Program and the Debtors’ premium financing arrangements) and the Surety Bond Program, (ii) honor Insurance and Surety Obligations in the ordinary course of business during the administration of these Chapter 11 Cases, (iii) pay any prepetition Insurance Obligations, including, without limitation, amounts owed under the Premium Financing Agreements and to the Insurance Service Providers, and (b) modification of the

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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.

automatic stay if necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program, 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. \_\_\_]; 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 upon the record of 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:**

17. The Motion is granted on a final basis to the extent set forth herein.
18. The Debtors are authorized, but not directed, to pay, in the ordinary course of business, all Insurance Obligations (including, without limitation, amounts owed under the Premium Financing Agreements and to the Insurance Service Providers) arising under or relating



to the Insurance Policies and Programs, including, without limitation, any new Insurance Policies and Programs, and whether or not such Insurance Policies and Programs are listed on **Annex 1** hereto, and any new Premium Financing Agreements, whether or not such Premium Financing Agreements are listed on **Annex 2** hereto, regardless of whether accruing or relating to the period before or after the Petition Date.

19. In accordance with this Final Order (or any other order of this Court), each of the financial institutions at which the Debtors maintain their accounts relating to the payment of any obligations described in the Motion are authorized and directed to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of this Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise, and without liability for the following the Debtors' instructions.

20. The Debtors are authorized, but not directed, to maintain their Insurance Policies and Programs, including the arrangements under the Premium Finance Agreements, in accordance with practices and procedures that were in effect before the commencement of these Chapter 11 Cases.

21. The Debtors, with notice to and the consent of the Prepetition Agent, are authorized, but not directed, to revise, extend, supplement or otherwise modify their insurance coverage or Surety Bonds as needed, including without limitation, through the purchase or renewal

of new or existing insurance policies or Surety Bonds or through entering into or renewing new or existing premium financing agreements.

22. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay shall be modified to the extent necessary to permit the Debtors' employees to proceed with any claims that they may have under the Workers' Compensation Program and for the Debtors to honor and pay such obligations whether or not arising prior to the Petition Date.

23. 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 must be in compliance with, and shall be subject to: (i) any interim or final order approving the Debtors' use of cash collateral and/or any postpetition financing facility (in either case, the "**Cash Collateral Order**"); (ii) the documentation in respect of any such use of cash collateral and/or postpetition financing; and (iii) the budget governing any such use of cash collateral and/or postpetition financing. 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.

24. 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 (i) an admission as to the validity of any claim against the Debtors, (ii) 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, (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (iv) 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.

25. 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.

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

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

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

29. 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.

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

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HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**ANNEX 1**

**Policy Schedule**

Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Property/Boiler</i>	Liberty Mutual Lloyds of London	YS2-L9L-464440-019 PG1902704	8/1/2020-8/1/2021	\$226,625
<i>Property/Boiler</i>	Steadfast (Zurich E &S)	XPP-5492113-06	8/1/2020-8/1/2021	\$78,450
<i>Property/Boiler</i>	Axis	EAF624722-19	8/1/2020-8/1/2021	\$123,226
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<i>Property/Boiler</i>	Lloyds (Houston Casualty)	PG1902346	8/1/2020-8/1/2021	\$41,897
<i>Property/Boiler</i>	Lloyds (SII 1945)	PG1902346	8/1/2020-8/1/2021	\$13,407
<i>Property/Boiler</i>	Lloyds (UUL9797)	PG1902346	8/1/2020-8/1/2021	\$16,758
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<i>Property/Boiler</i>	Lloyds (AMA 1200)	PG1902696	8/1/2020-8/1/2021	\$34,555
<i>Property/Boiler</i>	Lloyds (NEO 2468/4242)	PG1902696	8/1/2020-8/1/2021	\$43,194
<i>Property/Boiler</i>	Lloyds (ATL)	PG1902698	8/1/2020-8/1/2021	\$57,592

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Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Property/Boiler</i>	Lloyds (CHN 2015)	PG1902707	8/1/2020-8/1/2021	\$28,796
<i>Property/Boiler</i>	Lloyds (HDU)	PG1902702	8/1/2020-8/1/2021	\$35,100
<i>Property/Boiler</i>	Allianz	USP00080719	8/1/2020-8/1/2021	\$217,346
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<i>Property/Boiler</i>	Lloyds (LIB)	PG1902712	8/1/2020-8/1/2021	\$23,659
<i>Excess Property</i>	Evanston Ins. Co.	MKLV10XP003501	8/1/2020-8/1/2021	\$29,567
<i>Excess Property</i>	Liberty Mutual	MQ2-L9L-464440-029	8/1/2020-8/1/2021	\$18,553
<i>Excess Property</i>	Great American	CPP 863 59-89-12	8/1/2020-8/1/2021	\$70,044
<i>Excess Property</i>	Landmark American	LHT909486	8/1/2020-8/1/2021	\$9,079
<i>Excess Property</i>	Axis Surplus Lines	EAF632184-19	8/1/2020-8/1/2021	\$20,754
<i>Excess Property</i>	QBE Specialty	CFE1317141	8/1/2020-8/1/2021	\$33,271
<i>Excess Property</i>	QBE Specialty	CFE1317141	8/1/2020-8/1/2021	\$11,872

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Exhibit B

Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Excess Property</i>	Homeland Ins. Co. of Delaware (One Beacon)	795010502	8/1/2020-8/1/2021	\$88,204
<i>Excess Property</i>	Allianz Global	USL00103218	8/1/2020-8/1/2021	\$17,251
	Beazley	B6012BUSACONT18		\$10,377
	Lloyds HIS	PG1902350		\$20,754
	Lloyds APL			\$6,911
	Lloyds TRV			\$8,654
	Lloyds XLS			\$10,377
	Lloyds AML			\$20,754
	Lloyds AUL			\$7,782
<i>General Liability</i>	Starr Indemnity & Liability Co.	1000305306201	4/1/20-21	\$874,590
<i>EPLI</i>	Beazley	V1232E190801	1/31/20-1/31/21	\$144,281
<i>EPLI Punitive</i>	Paragon	B0146ERUSA1900001	1/31/20-1/31/21	\$14,428
<i>Umbrella</i>	Allied Workd Assurance Co (US) Inc.(Admitted)	0307-5750	4/1/20-21	\$237,350
<i>Umbrella</i>	Aspen	CX00G4Q20	4/1/20-21	\$80,713
<i>Excess Umbrella</i>	Zurich American Ins. Co.	AEC937978416	4/1/20-21	\$64,650
<i>Excess Umbrella</i>	Chubb	798167-11	4/1/20-21	\$45,450

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Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Excess Umbrella</i>	Liberty Mutual (Ohio Casualty)	ECO2156038963	4/1/20-21	\$31,997
<i>Excess Umbrella</i>	Fireman's Fund	USL005770206	4/1/20-21	\$6,375
<i>Fidelity/Crime</i>	Berkley	BCCR 45002454-22	11/30/19-11/30/21	\$36,654
<i>Automobile</i>	Starr Indemnity	1000198458191	4/1/20-21	\$335,035 \$12,354 \$12,234
<i>Workers Compensation</i>	New York State Insurance Fund	L814 095-6	2/2/20-21	\$23,396
<i>Workers Compensation</i>	Everest	RM1GL00015 RM1WC00023	3/31/20-21	\$1,837,450
<i>Ocean Marine</i>	Tokio Marine & Nichido Fire	T060010993	3/1/20-3/1/21	\$50,000
<i>Nuclear, Biological &amp; Chemical Liability</i>	Allianz	USL00168019	3/6/19-3/6/22	\$558,357
<i>Nuclear, Biological &amp; Chemical Liability Excess</i>	Tokio Marine	PPK1956239	3/6/19-3/6/22	\$157,566
<i>Storage Tank Liability</i>	Chubb (Ace American)	G28309569 002	5/23/20-21	\$350

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Type of Coverage	Insurer	Policy Number(s)	Policy Term	Annual Premium
<i>Pollution Legal Liability</i>	Tokio Marine	PPK1854322	7/15/18-23	\$110,425
<i>Cyber Liability</i>	Beazley	B0180/PH2001787	2/1/20-21	\$126,815
<i>Cyber Liability Excess</i>	XL (Greenwich Ins.)	MTE 9034305 03	2/1/20-21	\$83,021
<i>Flood</i>	Hartford	87060123922017	11/23/19-20	\$2,401
<i>Flood</i>	Philadelphia	87028576722018	9/22/19-20	\$1,600
<i>Flood</i>	Wright National Flood	29115162580402	6/17/20-21	\$2,451
<i>Flood</i>	Wright National Flood	29115188742500	9/5/19-20	\$8,558
<i>Flood</i>	Wright National Flood	29115162579202	6/17/20-21	\$4,664

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**Annex 2**

**Premium Financing Arrangements**

<b>Premium Financier</b>	<b>Insurer</b>	<b>Type of Coverage</b>	<b>Policy Term</b>	<b>Financed Premium</b>	<b>Down Payment</b>	<b>Installment Amount</b>	<b>No. of Installments Outstanding</b>	<b>Interest Rate</b>
AFCO Credit Corporation	Various Policies (I Dachs & Sons, broker)	General Liability	4/1/20-21	\$1,753,167.94	\$914,424.00	\$141,730.71	4	3.017%
First Insurance Funding	Various Policies (Alliant Insurance Services - Real Estate, broker)	Property/Boiler	8/1/20-21	\$2,398,202.36	\$495,595.38	\$214,273.82	9	3.250%

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