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*Proposed Counsel to the Debtors
 and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION**

)	
In re:)	Chapter 11
)	
CICI'S HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 21-30146 (SGJ)
)	
Debtors.)	(Joint Administration Requested)
)	(Emergency Consideration Requested)
)	

**DEBTORS' EMERGENCY MOTION FOR ENTRY
 OF AN ORDER (I) AUTHORIZING THE DEBTORS
 TO (A) CONTINUE THEIR INSURANCE POLICIES
 AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF,
 (B) RENEW, SUPPLEMENT, AND ENTER INTO NEW INSURANCE
 POLICIES, AND (C) HONOR THE TERMS OF RELATED PAYMENT PLANS
 AND PAY PREMIUMS THEREUNDER, AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: CiCi's Holdings, Inc. (5177); Awesome Acquisition Company (0481); CiCi Acquisition Company, LLC (N/A); CiCi Enterprises, LP (5070); CiCi GP, LLC (2948); CiCi Services, LLC (3586); JMC GP, LLC (8268); JMC Restaurant Distribution, LP (5075); and Pizza Parent, LLC (9534). The Debtors' principal offices are located at 1080 W. Bethel Road, Coppell, Texas 75019, United States.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”)² respectfully state as follows in support of this motion (this “Motion”):³

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”): (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy obligations related thereto in the ordinary course of business, (ii) renew, supplement, or purchase insurance coverage in the Debtors’ discretion on a postpetition basis, (iii) honor the terms of related payment plans and pay premiums thereunder; and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Northern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363(b), and 364(c) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Bankruptcy

² A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion are set forth in the *Declaration of Richard Peabody, Chief Financial Officer of CiCi’s Holdings, Inc. in Support of First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith and incorporated herein by reference.

³ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the First Day Declaration.

Rules 6003 and 6004, and Rule 9013-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”).

Background

5. The Debtors are leading owners, operators, and franchisors of family-oriented unlimited pizza restaurants. With approximately 318 locations across 26 states, including 11 owned restaurants and 307 franchise locations owned and operated by 128 franchisees, the CiCi’s brand is known as a “go-to” destination for family and other group outings through its wide variety of pizza, pasta, and salad bar items and cost-effective price point. Much like their competitors and nearly all other customer-facing businesses, the Debtors’ recent operations have been impacted by the uncertainty, unexpected challenges, and ever-changing landscape resulting from the COVID-19 pandemic. A more detailed history of the Debtors’ business, as well as their pre-petition efforts to address issues related to safe and efficient operations, franchisee relations, and liquidity issues, are discussed in more detail in the First Day Declaration.

6. On January 25, 2021 (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

The Debtors’ Insurance Program

I. The Insurance Policies.

7. In the ordinary course of business, the Debtors maintain approximately fifteen insurance policies (collectively, the “Insurance Policies,” and each individually,

an “Insurance Policy”) that are administered collectively as part of a program (the “Insurance Program”) by various third-party insurance carriers (collectively, the “Insurance Carriers”). The Insurance Policies provide coverage for, among other things, the Debtors’ property, general liability, automobile liability, umbrella coverage, cyber liability, excess liability, liquor liability, professional liability, director and officers liability, crime coverage, employment practices liability, and workers compensation liability. The Insurance Policies are essential to the ongoing operation of the Debtors’ businesses. The aggregate annual premium for the Insurance Policies is approximately \$777,960.59, plus applicable taxes and surcharges. A schedule of the Insurance Policies is attached hereto as Exhibit B.⁴ In addition to the Insurance Policies, the Debtors maintain several additional workers’ compensation policies which are not reflected in Exhibit B and for which relief is not sought in this motion.⁵

8. The Insurance Policies are generally one year in length and renew at different times throughout the year. Insurance premiums for certain policies are typically prepaid on an annual basis, while others are paid in installments throughout the year, subject to the payment terms under each Insurance Policy and the Payment Plan (defined below), described in greater detail below. As of the Petition Date, the Debtors do not believe there are any amounts due or outstanding on account of insurance premiums. Out of an abundance of caution, however, the Debtors seek authority to pay all prepetition amounts due and owing (if any) on account of the insurance

⁴ The descriptions of the Insurance Policies set forth in this motion are summary in nature. The actual terms of the Insurance Policies and related agreements will govern in the event of any inconsistency with the description in this motion. The Debtors request authority to honor obligations and renew all Insurance Policies, as applicable, regardless of whether the Debtors inadvertently fail to include a particular Insurance Policy on Exhibit B.

⁵ In addition to the Insurance Policies listed on Exhibit B, the Debtors maintain numerous insurance policies with respect to, among other things, workers’ compensation, employee health, dental, disability, and life insurance benefits. These policies are described, and relief is requested with respect to such policies, in the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief*, filed contemporaneously herewith.

premiums and to continue honoring all payment obligations under the Insurance Policies in the ordinary course of business to ensure uninterrupted coverage thereunder.

9. Under certain Insurance Policies, the Debtors are required to pay various deductibles (the “Insurance Deductibles”) or self-insured retentions (the “Self-Insured Retentions”). Generally, if a claim is made against the Insurance Policies that is subject to an Insurance Deductible, the Debtors’ applicable insurance carrier will administer the claim and make payments in connection therewith and then invoice the Debtors for any Insurance Deductibles. A Self-Insured Retention is the required portion of the insured claim to be paid or incurred by the Debtors before the insurance policy will be effected and is a condition precedent to coverage for payment of the portion of a loss in excess of the Self-Insured Retentions.

10. The Insurance Carriers may have prepetition claims against the Debtors due to the prepetition payment of the claims without a corresponding Insurance Deductible. As of the Petition Date, the Debtors do not believe there are any amounts due or outstanding relating to Insurance Deductibles or Self-Insured Retentions. Out of an abundance of caution, however, the Debtors seek authority, but not direction, to satisfy any prepetition amounts outstanding (if any) or that arise in the ordinary course of business in connection with the Insurance Deductibles and Self-Insured Retentions.

11. The continuation of the Insurance Policies and entry into new insurance policies is essential to the preservation of the value of the Debtors’ businesses and operations. Moreover, in many instances, insurance coverage is required by the regulations, laws, credit agreements, and contracts that govern the Debtors’ commercial activities, including the requirement by the United States Trustee for the Northern District of Texas (the “U.S. Trustee”) that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors seek

authorization to maintain and/or modify their existing Insurance Policies, honor obligations related thereto, and enter into new insurance policies in the ordinary course of business and consistent with prepetition practices.

II. The Payment Plan.

12. It is common for companies in the Debtors' industry to finance insurance policies through borrowing from a third-party lender. Here, the Debtors have not entered into a formal premium finance agreement; rather, the Debtors entered into a payment plan with its broker, Marsh & McLennan Agency LLC (the "Marsh & McLennan") for six of the Insurance Policies (the "Payment Plan").⁶ The terms of the Payment Plan were formed as part of the parties' course of dealing, as reflected in associated invoices and installment schedules. Pursuant to the Payment Plan, the Debtors made an initial down payment of approximately \$88,590.00 and agreed to pay seven installments of approximately \$44,274.01 each, beginning on October 1, 2020. As of the Petition Date, there is approximately \$221,370 outstanding on account of the Payment Plan. The Debtors seek the authority to honor any prepetition amounts outstanding under the terms of the Payment Plan and to pay any amounts owing thereunder in the ordinary course of business during the administration of these chapter 11 cases.

13. To the extent that the Payment Plan expires during the course of these chapter 11 cases, the Debtors seek authority to renew the Payment Plan or enter into new payment plans or premium financing agreements, without further Court approval. The Debtors respectfully submit that renewal of the Payment Plan falls squarely within the ordinary course of the Debtors' business and, but for the potential constraints of section 364 of the Bankruptcy Code, the Debtors would

⁶ The Insurance Policies subject to the Payment Plan are as follows: Automobile; General Liability; Liquor Liability; Workers Compensation; Property; and an Umbrella policy. Each Insurance Policy subject to the Payment Plan is described in greater detail on Exhibit B.

not need the Court's prior approval to renew the Payment Plan. To reduce the administrative burden, as well as to confirm their ability to satisfy one of their obligations of operating as debtors in possession, the Debtors seek the Court's authority now to renew the Payment Plan when and as necessary in the Debtors' business judgment.

III. The Debtors' Insurance Brokers.

14. The Debtors retain the services of insurance brokers to help manage their portfolios of risk. The Debtors obtain most of their domestic Insurance Policies through the brokers at Marsh & McLennan, Higginbotham Insurance Group, and Aon Financial Services (the "Brokers"). The Brokers, among other things, (a) assist the Debtors in obtaining comprehensive insurance coverage for the Debtors' operations in a cost-effective manner, (b) manage renewal data, (c) market the Insurance Policies, (d) provide all interactions with carriers including negotiating policy terms, provisions, and premiums, and (e) provide ongoing support throughout the applicable policy periods. The Brokers collect commission payments for their services as part of the premiums paid on account of the Insurance Policies.

15. The Brokers are typically paid a commission directly from the Insurance Carriers, although in some instances the Brokers are paid a commission or brokerage fee directly at the time of a purchase or payment (collectively, the "Broker Fees"). As of the Petition Date, the Debtors do not believe there are any amounts due or outstanding on account of the Broker Fees. Out of an abundance of caution, however, the Debtors seek the authority to honor prepetition amounts outstanding with respect to the Broker Fees (if any) and to pay any amounts owing thereunder in the ordinary course of business during the administration of these chapter 11 cases to ensure uninterrupted coverage under their Insurance Policies.

Basis for Relief

I. Continuation of the Insurance Policies Is Required by the Bankruptcy Code and U.S. Trustee Operating Guidelines.

16. Section 1112(b)(4)(C) of the Bankruptcy 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). In addition, in many instances, the coverage provided under the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors’ commercial activities, including the operating guidelines issued by the U.S. Trustee (the “U.S. Trustee Guidelines”). Given this backdrop, the Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Guidelines, that they maintain and continue to make all payments required under their Insurance Policies, including in connection with the Payment Plan, and have the authority to supplement, amend, extend, renew, or replace their Insurance Policies as needed, in their business judgment, without further order of the Court.

II. Maintaining, Renewing, Supplementing, Purchasing, and Entering into New Insurance Policies and Payment Plans in the Ordinary Course of Business Are Each Warranted.

17. The Bankruptcy Code authorizes the Debtors to continue their prepetition practices with respect to their Insurance Program, including maintaining, renewing, supplementing, purchasing, and entering into Insurance Policies and the Payment Plan as such practices are in the ordinary course of the Debtors’ business. Alternatively, to the extent any such practices fall outside of the ordinary course of business, the Court should authorize the Debtors to maintain, renew, or enter into new insurance policies and payment plans on a postpetition basis, as such relief is in the Debtors’ sound business judgment.

18. Section 363(c)(1) of the Bankruptcy Code provides that a chapter 11 debtor in possession “may enter into transactions . . . [or] may use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The Bankruptcy Code does not define “ordinary course of business.” *In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992). The Debtors’ continuation of the Insurance Program on a postpetition basis is consistent with their prepetition practices. Additionally, the Debtors believe that maintaining insurance policies and payments for such policies is standard practice in most industries. Accordingly, the Debtors are permitted to continue to comply with the Insurance Policies and to renew or obtain new insurance policies and payment plans because such actions are in the ordinary course of the Debtors’ businesses.

19. Out of an abundance of caution, to the extent that the Debtors’ continuation of the Insurance Program is outside of the ordinary course of business, section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a 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(b), courts in this jurisdiction require only that the debtor “show that a sound business purpose justifies” the proposed use of property. *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring a “good business reason” for use under section 363(b) of the Bankruptcy Code). Moreover, “[w]here 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.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005)

(“Overcoming the presumptions of the business judgment rule on the merits is a near-Herculean task.”).

20. Thus, if a debtor’s actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b) of the Bankruptcy Code. Indeed, when applying the “business judgment” standard, courts show great deference to a debtor’s business decisions. *See Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (“Courts are loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence.”) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *In re First Wellington Canyon Assocs.*, No. 89-593 (CPK), 1989 WL 106838, at *3 (N.D. Ill. Sept. 8, 1989) (stating that “the debtor’s business judgment . . . must be accorded deference unless shown that the bankrupt’s decision was taken in bad faith or in gross abuse of the bankrupt’s retained discretion”).

21. The nature of the Debtors’ businesses makes it essential for the Debtors to maintain their Insurance Program on an ongoing and uninterrupted basis. Certain of the Debtors’ leases and financing agreements require the Debtors to remain current with respect to certain of their primary Insurance Policies. Additionally, state and local laws require the Debtors to maintain insurance policies. Thus, the Debtors must be able to continue their Insurance Policies without disruption to ensure their operations remain in compliance with various legal and contractual obligations.

22. Any interruption in insurance coverage would also expose the Debtors to a number of risks, including: (a) the possible incurrence of direct liability for the payment of claims that otherwise would have been covered by the Insurance Policies; (b) the possible incurrence of material costs and other losses that otherwise would have been reimbursed, such as attorneys’ fees for certain covered claims; (c) the possible inability to obtain similar types and levels of insurance

coverage or premium financing on terms equally favorable as the present coverage; and (d) the possible incurrence of higher costs for re-establishing lapsed Insurance Policies or obtaining new insurance coverage. In short, failure to maintain the Insurance Program could have a detrimental impact on the Debtors' businesses and the value of their estates.

23. The Debtors similarly believe that continuing to pay for their Insurance Policies through the Payment Plan on a postpetition basis is in the best interests of their estates. Such plan permits the Debtors to pay for Insurance Policies over time rather than making large cash outlays at one time. This financing structure therefore allows the Debtors to effectively manage their cash to fund their business.

24. Finally, the continued retention of the Brokers allow the Debtors and their employees to focus on core operational matters. The Debtors are not well-suited to bring the services provided by the Brokers in-house. Thus, continuing to retain the Brokers' services allows the Debtors to focus on their operations, to the benefit of all stakeholders.

25. For the foregoing reasons, the Debtors respectfully submit that the requirements of section 363(b) of the Bankruptcy Code are satisfied, and the Court should authorize the Debtors to continue their prepetition practices with respect to their Insurance Program, including maintaining, renewing, supplementing, purchasing, and entering into insurance policies and payment plans in the ordinary course, as a sound exercise of their business judgment.

III. The Debtors Should Be Authorized to Pay All Prepetition Obligations Owed Under the Payment Plan, the Insurance Policies, and to the Brokers.

26. Courts in the Fifth Circuit and elsewhere have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g., In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369–

70 (Bankr. S.D. Tex. 2000); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims.

27. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Montgomery Ward*, 242 B.R. at 153 (collecting cases); *see also James A. Phillips*, 29 B.R. at 397 (relying on section 363 to allow contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were necessary for general contractors to release funds owed to debtors); *Ionosphere Clubs*, 98 B.R. at 175 (finding that a sound business justification existed to justify payment of certain prepetition wages); *Phx. Steel*, 82 B.R. at 335–36 (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b)).

28. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers 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). Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor’s businesses. *See Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize

payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *See, e.g., Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New England Railway Co.*, 657 F.2d 570 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court’s use of its equitable powers to “authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *Ionosphere Clubs*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286 (1882)). Indeed, at least one court has recognized that there are instances when a debtor’s fiduciary duty can “only be fulfilled by the preplan satisfaction of a prepetition claim.” *CoServ*, 273 B.R. at 497.

29. Paying obligations under the Insurance Policies, the Payment Plan and any outstanding fees owed to the Brokers is warranted under section 363(b) and the doctrine of necessity. As described above, maintaining the Insurance Policies is necessary to preserve the value of the Debtors’ assets, thereby ensuring the adequate protection of the Debtors’ property for any party in interest, and to minimize exposure to risk. Honoring the Payment Plan is necessary to maintaining the Insurance Policies, as failure to make the payments under the Payment Plan can trigger cancellation of the effected Insurance Policies. In addition, paying any fees owed to the Brokers will ensure that the Brokers will be available to assist the Debtors in procuring additional necessary insurance throughout the course of these chapter 11 cases.

30. As described above, maintaining the Insurance Policies enables the Debtors to avoid the incurrence of possibly significant liabilities and therefore represents a sound exercise of

their business judgment. The Insurance Policies protect the Debtors and other parties in interest from losses caused by casualty, natural disaster, fraud, or other unforeseen events. In fact, in some instances, maintenance of insurance coverage is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee's requirement that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, it is necessary for the Debtors to pay their prepetition insurance premiums, obligations owed under the Payment Plan, and fees to the Brokers to ensure that the Debtors are able to renew, supplement, or purchase insurance coverage on a postpetition basis in the ordinary course of business.

31. Indeed, courts in this district have routinely granted relief similar to that requested herein. *See, e.g., Studio Movie Grill Holdings, LLC*, No. 20-32622 (SGJ) (Bankr. N.D. Tex. Oct. 29, 2020) (authorizing debtors to continue their current insurance policies, pay prepetition premiums and amounts related thereto, and enter into new insurance policies on a final basis); *In re TriVascular Sales LLC*, No. 20-31840 (SGJ) (Bankr. N.D. Tex. Aug. 10, 2020) (same); *In re Tuesday Morning Corp.*, No. 20-31476 (HDH) (Bankr. N.D. Tex. May 29, 2020) (same); *In re The LaSalle Grp., Inc.*, No. 19-31484 (SGJ) (Bankr. N.D. Tex. Aug. 8, 2019) (same); *In re PHI, Inc.*, No. 19-30923 (HDH) (Bankr. N.D. Tex. April 17, 2019) (same).⁷

IV. The Debtors Should Be Authorized to Honor and Renew the Payment Plan.

32. The Debtors respectfully submit that continuation of the Payment Plan and authorization for entry into a new payment plan or alternative premium financing agreement are necessary and appropriate, and may be authorized under section and 363 as set forth above. In addition, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its

⁷ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

business judgment, incur postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interest of the estate. *See, e.g., In re Ames Dept. Stores, Inc.*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (stating that with respect to postpetition credit, courts “permit debtors in possession to exercise their basic business judgment consistent with their fiduciary duties”); *In re Simasko Prod. Co.*, 47 B.R. 444, 448–49 (D. Colo. 1985) (authorizing interim financing agreement where debtor’s business judgment indicated financing was necessary and reasonable for benefit of estate). As discussed above, the Debtors believe that continuing to perform under the Payment Plan on a postpetition basis is in the best interests of their estates. Moreover, in light of their financial circumstances, insurance premium finance companies may not be willing to provide insurance premium financing to the Debtors on attractive market terms on a postpetition basis unless the Debtors can demonstrate their ability to enter into such agreements. The Debtors therefore request authority to enter into postpetition premium financing agreements under sections 503(b)(1) and section 364(c) to the extent necessary to obtain such financings to fund the premiums for the Debtors’ Insurance Policies.

V. Processing of Checks and Electronic Fund Transfers Should Be Authorized

33. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. In addition, under the Debtors’ existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. Accordingly, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

34. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

Reservation of Rights

35. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion or any order granting the relief requested by this motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the requested relief, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

36. The Debtors will provide notice of this motion to the following parties or their counsel: (a) the U.S. Trustee for the Northern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the lenders under the Debtors' prepetition credit facility; (d) the United States Attorney's Office for the Northern District of Texas; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conduct business; (g) the Insurance Carriers; (h) the Brokers; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice is needed.

No Prior Request

37. No prior request for the relief sought in this motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the forms attached hereto as **Exhibit A**, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Respectfully submitted this 25th day of January, 2021.

GRAY REED & MCGRAW LLP

By: /s/ Jason S. Brookner

Jason S. Brookner (TX Bar No. 24033684)
Aaron M. Kaufman (TX Bar No. 24060067)
Lydia R. Webb (TX Bar No. 24083758)
Amber M. Carson (TX Bar No. 24075610)

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*Proposed Counsel to the Debtors
and Debtors in Possession*

Certificate of Service

I certify that on January 25, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Jason S. Brookner

Jason S. Brookner

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

)	
In re:)	Chapter 11
)	
CICI'S HOLDINGS, INC., <i>et al.</i> , ¹)	Case No. 21-30146 (SGJ)
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Debtors.)	(Joint Administration Requested)
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)	Re: Docket No. ___

**ORDER (I) AUTHORIZING THE DEBTORS
TO (A) CONTINUE THEIR INSURANCE POLICIES
AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF,
(B) RENEW, SUPPLEMENT, AND ENTER INTO NEW INSURANCE
POLICIES, AND (C) HONOR THE TERMS OF RELATED PAYMENT PLANS
AND PAY PREMIUMS THEREUNDER, AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: CiCi's Holdings, Inc. (5177); Awesome Acquisition Company (0481); CiCi Acquisition Company, LLC (N/A); CiCi Enterprises, LP (5070); CiCi GP, LLC (2948); CiCi Services, LLC (3586); JMC GP, LLC (8268); JMC Restaurant Distribution, LP (5075); and Pizza Parent, LLC (9534). The Debtors' principal offices are located at 1080 W. Bethel Road, Coppell, Texas 75019, United States.

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”): (a) authorizing the Debtors to (i) continue insurance coverage entered into prepetition and satisfy payment of prepetition obligations related thereto, (ii) renew, supplement, or purchase insurance coverage in the Debtors’ discretion on a postpetition basis, (iii) honor the terms of the Payment Plan and pay premiums thereunder; and (b) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors shall serve a copy of the Motion and this Order on each Insurance Carrier listed on Exhibit B to the Motion within three business days after the date this Order is entered.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

3. The Debtors are authorized, but not directed, to:
 - (a) (i) continue the Insurance Policies identified on Exhibit B to the Motion and pay any undisputed prepetition or postpetition obligations related to the Insurance Policies (including any amounts owed to the Brokers) in accordance with and in the amounts consistent with the same practices and procedures as were in effect prior to the commencement of the Debtors' chapter 11 cases, and (ii) enter into, renew, amend, supplement, extend, and/or purchase insurance policies to the extent that the Debtors determine that such action is in the best interest of their estates in accordance with the ordinary course of business; and
 - (b) (i) honor the terms of the Payment Plan and pay premiums thereunder and (ii) enter into, renew, amend, supplement, and/or extend premium financing agreements as necessary, to the extent that the Debtors determine that such action is in the ordinary course of business and in consultation with D & G Investors, L.L.C.

4. Notwithstanding the relief granted in this Order, any payment made by the Debtors pursuant to the authority granted herein shall be subject to and in compliance with the Approved Budget, the Court's *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing, and (VI) Granting Related Relief*, and any final order entered by the Court in connection therewith.

5. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any prepetition agreement,

contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

7. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

Submitted by:

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*Proposed Counsel to the Debtors
and Debtors in Possession*

EXHIBIT B

Insurance Policies

	Type of Policy	Insurance Carrier	Policy Number	Policy Term	Approximate Annual Gross Premium
1.	Automobile	Liberty Mutual Fire Insurance Company	AS2Z91452760020	10/1/2020-10/1/2021	\$ 26,569.03
2.	General Liability	Liberty Mutual Fire Insurance Company	TB2Z91452760030	10/1/2020-10/1/2021	\$ 163,144.00
3.	Liquor Liability	Liberty Mutual Fire Insurance Company	TO2Z91452760040	10/1/2020-10/1/2021	\$ 1,000.00
4.	Umbrella	Liberty Insurance Corporation	TH7Z91452760060	10/1/2020-10/1/2021	\$ 47,200.00
5.	Excess Liability	XL Insurance America, Inc.	US00102712LI20A	10/1/2020-10/1/2021	\$ 22,500.00
6.	Workers Compensation (non-Texas policy)	Employers Insurance Company of Wausau	WCCZ91452760010	10/1/2020-10/1/2021	\$ 44,361.03
7.	Property Insurance	Liberty Mutual Fire Insurance Company	YU2Z91452760050	10/1/2020-10/1/2021	\$ 71,960.00
8.	Texas Non-Subscriber	Great American E&S Insurance Company	ECA3718910	10/1/2020-10/1/2021	\$ 8,386.02
9.	Cyber	Beazley Insurance Company, Inc.	V28BF0200201	10/1/2020-10/1/2021	\$ 33,630.00
10.	Miscellaneous Professional Liability	Great American Fidelity Insurance Company	MPLE248969	10/1/2020-10/1/2021	\$ 62,244.51
11.	Excess Miscellaneous Professional Liability	Underwriters at Lloyd's London (100% Brit Syndicate Ltd., Syndicate 2987 at Lloyd's)	MPX1009720	10/1/2020-10/1/2021	\$ 25,830.00
12.	Combined Specialty Insurance (including but not limited to Director and Officer, Crime, Fiduciary, Employment Practices Liability)	Continental Casualty Company	652171819	11/23/2109-05/23/2021	\$59,947.00
05/23/2021-05-23-2027				---	---
13.	Directors and Officers – Excess	AXIS Insurance Company	MCN643005012019	11/23/2109-05/23/2021	\$15,000.00
14.	Directors and Officers – Excess Side A	Berkley Insurance Company	BPRO8059843	11/23/2109-05/23/2021	\$195,000.00
15.	Executive Risk – Primary	Hiscox Insurance Company Inc.	UKA301114920	08/29/2020-08/29/2021	\$1,189.00