

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
SUGARFINA, INC., <i>et al.</i> ,	:	Case No. 19-11973 (MFW)
	:	
Debtors ¹ .	:	(Jointly Administered)
	:	

**REQUEST OF SOMERSET COLLECTION LIMITED PARTNERSHIP
FOR ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS
PURSUANT TO 11 U.S.C. §§ 503 AND 365**

SOMERSET COLLECTION LIMITED PARTNERSHIP (the “Landlord”) hereby files this Request for Allowance and Payment of Administrative Expense Claims pursuant to 11 U.S.C. §§ 503 and 365(d)(3) (the “Request”). In support of the Request, Landlord respectfully states as follows:

JURISDICTION

1. The Court has jurisdiction over this matter under 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper in the district pursuant to 28 U.S.C. § 1409. This Request is made pursuant to 11 U.S.C. §§ 503 and 365(d)(3).

FACTUAL BACKGROUND

2. On or about October 26, 2017, the Debtor, SUGARFINA, INC. (the “Debtor”) executed and delivered to Landlord, a lease for the use of The Shops at Columbus Circle located 2801 W. Big Beaver Road, Space No. K-246, in the County of Oakland, Troy, Michigan (the “Leased Premises”), pursuant to which Debtor agreed to pay monthly rent and additional rent (“Lease”).²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or Canadian Revenue Agency, as applicable are (1) Sugarfina, Inc., a Delaware corporation (4356), (2) Sugarfina International, LLC, a Delaware limited liability company (1254) and (3) Sugarfina (Canada), Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave., 5th Floor, El Segundo, California 90245.

² A true and correct copy of the Lease will be provided upon request.

3. Pursuant to the Lease, the Debtor is obligated to pay monthly rent to Landlord and Landlord is entitled to recover its reasonable attorney's fees and costs incurred in relation to enforcing the terms of the Lease.

THE BANKRUPTCY PROCEEDING

4. On September 6, 2019 (the "Petition Date"), the Debtor and certain of its affiliates filed for protection under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "Bankruptcy Code").

5. Before and during the pendency of the bankruptcy, the Debtor failed to make certain rent payments due from May 31, 2019 through September 30, 2019, the lease rejection date.

6. For the period following and including the Petition Date, Landlord is owed Chapter 11 administrative rent in the amount of **\$7,727.87**, plus attorney's fees and costs incurred. A true and correct copy of the breakdown of administrative rent owed *excluding* attorney's fees and costs is attached hereto as **Exhibit "A"**.

RELIEF REQUESTED

7. 11 U.S.C. § 503(b)(1)(A) provides for the allowance of administrative expenses, including in particular, actual, necessary costs and expenses of preserving the bankruptcy estate. "When third parties are induced to supply goods or services to the debtor-in-possession...the purposes of [§ 503] plainly require that their claims be afforded priority." In re Jartran, Inc., 732 F.2d 584, 586 (7th Cir. 1984); In re Goody's Family Clothing, Inc., 392 B.R. 604, 609 (Bankr. D. Del. 2008).

8. In addition, 11 U.S.C. § 365(d)(3) provides, in pertinent part, that a "trustee shall timely perform all of the obligations of the debtor, except those specified in section 365(b)(2), arising from and after the order for relief under any unexpired lease of nonresidential real property...until such lease is assumed or rejected notwithstanding 503(b)(1) of this title." 11 U.S.C. § 365(b)(2). *See also* In re Montgomery Ward Holding Corp., 268 F.3d 204 (3d Cir. 2001); In re Pac-West TeleComm, Inc., 377 B.R. 119, 123 (Bankr. D. Del. 2007).

9 Landlord submits that the Debtors' use of the Leased Premises has been actual and necessary in preserving the Debtor's bankruptcy estate.

10. As a result, Landlord is entitled to an allowed administrative rent claim in the amount of \$7,727.87, for amounts due under the Lease from the Petition Date through September 30, 2019, plus attorney's fees and costs incurred.

11. Landlord files this Request without prejudice to each and all of its remaining claims against the Debtor and the Estate, including but not limited to Landlord's unsecured claim for rejection damages and prepetition rent owed.

WHEREFORE, Landlord, through undersigned counsel, respectfully requests that the Court enter an Order granting Landlord an allowed Chapter 11 administrative expense claim for amounts incurred under the Lease from the Petition Date through September 30, 2019, in the amount of \$7,727.87, plus attorney's fees and costs incurred, and for such other relief as is just and proper under the circumstances.

Dated: November 7, 2019
Wilmington, Delaware

Respectfully submitted,

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