

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

In re:

SFP FRANCHISE CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-10134 (JTD)

(Jointly Administered)

Ref. Nos. 268 & 331

**ORDER APPROVING STIPULATION DEEMING LEASE FOR NONRESIDENTIAL
REAL PROPERTY OF SFP FRANCHISE CORPORATION WITH ASTOR RETAIL
STRATEGIC VENTURE LLC TO BE REJECTED PURSUANT TO THE DEBTORS
SECOND NOTICE OF REJECTION OF CERTAIN EXECUTORY CONTRACTS
AND/OR UNEXPIRED LEASES, ALLOWING CLAIM
OF LANDLORD AND PROVIDING FOR SETOFF**

Upon the *Stipulation Deeming Lease for Nonresidential Real Property of SFP Franchise Corporation with Astor Retail Strategic Venture LLC to Be Rejected Pursuant to the Debtors Second Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases, Allowing Claim of Landlord and Providing for Setoff* (the “Stipulation”),² a copy of which is attached hereto as **Exhibit 1**; and the Bankruptcy Court having jurisdiction to consider approval of the Stipulation and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Stipulation and requested relief being a core proceeding pursuant to 28 U.S.C. g 157(B); and venue being proper before this Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that sufficient notice of the Stipulation has been given; and after due deliberation; and good and sufficient cause appearing therefore; it is hereby

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: SFP Franchise Corporation (6248); and Schurman Fine Papers (1409). The location of the Debtors’ principal place of business is 300 Oak Bluff Lane, Goodlettsville, Tennessee 37072.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Stipulation.

ORDERED that the Stipulation attached to this Order as Exhibit 1 is hereby APPROVED in its entirety; and it is further

ORDERED that this Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this Order.

Dated: March 25th, 2020
Wilmington, Delaware

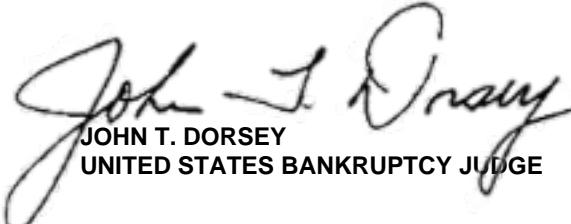

JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Stipulation

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

In re:

SFP FRANCHISE CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-10134 (JTD)

(Jointly Administered)

**STIPULATION DEEMING LEASE FOR
NONRESIDENTIAL REAL PROPERTY OF SFP FRANCHISE
CORPORATION WITH ASTOR RETAIL STRATEGIC VENTURE
LLC TO BE REJECTED PURSUANT TO THE DEBTORS
SECOND NOTICE OF REJECTION OF CERTAIN EXECUTORY
CONTRACTS AND/OR UNEXPIRED LEASES,
ALLOWING CLAIM OF LANDLORD AND PROVIDING FOR SETOFF**

WHEREAS, on January 23, 2020 (the “Petition Date”), each of the above captioned debtors (collectively, the “Debtors”) filed a petition seeking protection under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, on February 28, 2020, the Debtors filed the *Second Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases* [D.I. 268] (the “Rejection Notice”);

WHEREAS, the Rejection Notice, *inter alia*, identified a lease for Store #2213 located at Broadway and 76th Street (the “Lease”) which it identified as being with Counterparty Astor Strategic Venture LLC (“Astor”) and Debtor Counterparty Schurman Fine Papers (“Schurman”);

WHEREAS, the Lease for Store #2213, as amended, is between Astor and Papyrus Franchise Corporation;

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WHEREAS, the Fourth Amendment to the Lease was dated as of September 10, 2018, and provided for an extension of the term of the Lease through March 31, 2024, at an annual rent for the period from April 2, 2019 to March 31, 2022 in the amount of \$365,000.00;

WHEREAS, were Astor to file a Proof of Claim for damages arising from the rejection of the Lease it would be entitled to assert a claim for damages in an amount of not less than \$365,000.00, plus certain other amounts including legal fees and remediation charges due under the Lease subject to the terms of the Bankruptcy Code;

WHEREAS, in or about February 2009, Papyrus Franchise Corporation changed its state of incorporation from California to Delaware;

WHEREAS, on or about May 4, 2009, Papyrus Franchise Corporation changed its name to SFP Franchise Corporation;

WHEREAS, the Debtors operated Store #2213 until February 29, 2020 (the "Rejection Date");

WHEREAS, Schurman is the parent company of SFP Franchise Corporation;

WHEREAS, as of the Petition Date, the Debtors owed Astor \$23,558.12;

WHEREAS, as of the Rejection Date, the Debtors owed Astor \$1,443.97;

WHEREAS, as a result of the claims held by Astor on the date hereof resulting from the purported rejection of the Lease, were it to file a proof of claim and were such claim subject to the cap set forth under section 502(b)(6) of the Bankruptcy Code, Astor would be asserting a claim in excess of \$365,000;

WHEREAS, a dispute exists as to whether the Lease was rejected pursuant to the Rejection Notice due to the discrepancy between the party named in the Rejection Notice and the named party to the lease Papyrus Franchise Corporation (now SFP Franchise Corporation); and

WHEREAS, Astor holds a security deposit in the amount of \$53,132.21 (the “Deposit Amount”).

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, THE FOLLOWING IS SO ORDERED.

1. The Lease is deemed rejected as of February 29, 2020.
2. The Lease is terminated.
3. Astor is granted an allowed claim (the “Astor Claim”) in an amount equal to the Deposit Amount.
4. Astor is authorized in accordance with the provisions of Section 553 of the Bankruptcy Code and applicable non-bankruptcy law to set off the Astor Claim against any deposit it may hold but may not seek to recover the Astor Claim from any other source. The automatic stay under Section 362 of the Bankruptcy Code is modified to allow the set off under this Paragraph.
5. The Debtors and Astor each waive and release any and all claims they may hold against the other.
6. This Stipulation shall be of no force and effect unless and until it is approved by the Bankruptcy Court.
7. This Stipulation shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
8. The Bankruptcy Court shall have exclusive jurisdiction to resolve any and all disputes related this Stipulation. Each of the parties hereto irrevocably consents for all purposes of this Stipulation to the jurisdiction of the Bankruptcy Court and agrees that venue is proper in the Bankruptcy Court.

9. This Stipulation represents the mutual understandings by the parties hereto with respect to the matters addressed herein and supersedes all prior agreements whether in oral or written form.

10. This Stipulation shall be effective and enforceable immediately upon entry.

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IN WITNESS WHEREOF, and in agreement herewith, the Parties have executed and delivered this Stipulation as of the date first set forth below.

Dated: March 25, 2020
Wilmington, DE

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Dated: March 25, 2020
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