

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

**CBC RESTAURANT CORP., et al.,**<sup>1</sup>  
Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

Re: Docket Nos. 60 and 153

**Objection Deadline:**  
**March 23, 2023 at 4:00 p.m. (ET)**

**Final Hearing Date:**  
**March 28, 2023 at 1:00 p.m. (ET)**

**NOTICE OF ENTRY OF INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO  
(A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND  
SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW,  
AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C)  
HONOR THE TERMS OF ANY PREMIUM FINANCING AGREEMENTS AND PAY  
PREMIUMS THEREUNDER, AND (D) ENTER INTO NEW PREMIUM FINANCING  
AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING  
RELATED RELIEF**

**PLEASE TAKE NOTICE** that, on March 1, 2023, CBC Restaurant Corp. and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”), filed their *Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreements and Pay Premiums Thereunder, and (D) Enter into New Premium*

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.



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*Financing Agreements in the Ordinary Course of Business, and (II) Granting Related Relief* (the "Motion") [D.I. No. 60] in the above-captioned case with the United States Bankruptcy Court for the District of Delaware (the "Court"). A copy of the Motion is attached hereto as **Exhibit A**.

**PLEASE TAKE FURTHER NOTICE THAT** the Debtors presented the Motion at a hearing before the Honorable Karen B. Owens on March 3, 2023. The Court granted interim relief on the Motion and entered the *Interim Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreements and Pay Premiums Thereunder, and (D) Enter into New Premium Financing Agreements in the Ordinary Course of Business, and (II) Granting Related Relief* [D.I. No. 153] attached hereto as **Exhibit B**.

**PLEASE TAKE FURTHER NOTICE** that a final hearing on the Motion shall be held on **March 28, 2023 at 1:00 p.m. prevailing Eastern Time**. Any objections to entry of such order shall be in writing, filed with this Court, and served upon (a) the Debtors, Corner Bakery, 121 Friends Lane, Suite 301, Newtown PA 18940, Attn: Jay Pandya (jaypandya@rohangroup.net); (b) the Debtors' proposed counsel, Culhane Meadows PLLC, 3411 Silverside Road, Baynard Building, Suite 104-13, Wilmington DE 19810, Attn: Mette H. Kurth (MKurth@cm.law) and Lynnette R. Warman ([LWarman@cm.law](mailto:LWarman@cm.law)); (c) SSCP, the Debtor's prepetition lender, Ken Schwab (kschwab@sscpmanagement.com); (d) counsel to SSCP, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, TX. 75201, Attn: Holland N. O'Neil (honeil@foley.com), Mark C. Moore (mmoore@foley.com), and Tim Mohan (tmohan@foley.com) and Ashby & Geddes, P.A., 500 Delaware Avenue, 8th Floor, P.O. Box 1150, Wilmington, DE. 19899, Attn: Ricardo Palacio (RPalacio@ashbygeddes.com); (d) the Office of the United States Trustee for the District of

Delaware, Attn: Linda Casey (Linda.Casey@usdoj.gov); and (e) counsel for any statutory committee appointed in these Chapter 11 Cases, or if no such committee has been appointed, the holders of the 30 largest unsecured claims against the Debtors, in each case so as to be received no later than **4:00 p.m. Eastern Time on March 23, 2023.**

Dated: March 21, 2023  
Wilmington, Delaware

*/s/ Mette H. Kurth*

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Mette H. Kurth (DE Bar No. 6491)  
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*Proposed Counsel to the Debtors and Debtors In Possession*

**Exhibit A**

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

In re:

**CBC RESTAURANT CORP., et al.,<sup>1</sup>**

Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

**MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF THE PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER, AND (D) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING RELATED RELIEF**

CBC Restaurant Corp. and its debtor affiliate, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Corner Bakery” or “Debtors”),<sup>2</sup> respectfully state the following in support of this motion (the “Motion”).

**RELIEF REQUESTED**

1. Corner Bakery seeks entry of interim and final orders, substantially in the form attached hereto as **Exhibit A** (the “Interim Order”) and **Exhibit B** (the “Final Order”): (a) authorizing the Debtors to (i) continue existing insurance coverage entered into prepetition and satisfy payment obligations related thereto; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business; (iii) honor the terms of their premium

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.



financing agreements and pay premiums thereunder, and (iv) enter into new premium financing agreements in the ordinary course of business; and (b) granting related relief.

### **JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.).

3. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

### **BASIS FOR RELIEF**

5. The bases for the relief requested in this Motion 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 Rule 6004, and Local Rule 9013-1(m).

### **THE INSURANCE POLICIES AND RELATED OBLIGATIONS**

6. In the ordinary course of business, the Debtors maintain four commercial insurance policies, administered by QBE Insurance Corporation (the “Insurance Carriers”). These policies include, among other things, the Debtors’ commercial general liability, commercial auto, workers’ compensation & employers’ liability, and commercial umbrella liability insurance

(collectively, the “Insurance Policies”). The aggregate annual premium for the Insurance Policies is approximately \$2,964,961.39 inclusive of applicable surcharges and fees. A schedule of the Insurance Policies is attached hereto as Exhibit C.

7. The Insurance Policies are financed through premium financing agreements with Conner Strong and Buckelew (the “Premium Financing Agreements”).<sup>3</sup> Pursuant to the Premium Financing Agreement, the Debtors make 12 monthly payments totaling approximately \$248,000 each on account of all four Insurance Policies. As of the Petition Date, there was approximately \$483,000 outstanding on account of the Premium Financing Agreements.

8. The Debtors seek authority to continue honoring any amounts owed on account of the Insurance Policies and the Premium Financing Agreements in the ordinary course of business on a postpetition basis to ensure uninterrupted coverage under the Insurance Policies. Continuation of the Insurance Policies and the Premium Financing Agreements in the ordinary course of business is essential to the preservation of the value of the Debtors’ business and operations. Moreover, in many instances, insurance coverage is required by the regulations, laws, and contracts that govern the Debtors’ commercial activities, including the Office of the United States Trustee’s (the “U.S. Trustee”) requirement that a debtor maintain adequate coverage given the circumstances of its chapter 11 case. Accordingly, the Debtors request authority to maintain their existing Insurance Policies, pay prepetition obligations related thereto, and enter into new insurance policies and premium financing agreements, as applicable, in the ordinary course of business.

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<sup>3</sup> Although the named party on the Insurance Policies and the Premium Financing Agreements is the Debtors’ parent, Pandya Restaurant Growth Brands, LLC, CBC Restaurant Corp. historically has been responsible for paying amounts due thereunder. No unrelated, non-Debtor entities are insured pursuant to the Insurance Policies.

9. In addition, to the extent that the Insurance Policies and Premium Financing Agreements expire during the course of these chapter 11 cases, the Debtors seek authority to renew their Insurance Policies and Premium Financing Agreements without further Court approval. The Debtors respectfully submit that renewal of the Premium Financing Agreements falls squarely within their ordinary course of business and, but for the constraints of section 364 of the Bankruptcy Code, the Debtors would not need the Court's prior approval to renew the Premium Financing Agreements. To reduce the administrative burden, as well as to confirm their ability to satisfy one of their obligations of operating as debtor in possession, the Debtors seek the Court's authority now to renew the Insurance Policies and Premium Financing Agreements when and as necessary in the Debtors' business judgment.

### **BASIS FOR RELIEF**

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

10. 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 Office of the United States Trustee for the District of Delaware (the "U.S. Trustee Operating Guidelines"). Against this backdrop, it is essential to the Debtors' estates, and consistent with the Bankruptcy Code and the U.S. Trustee Operating Guidelines, that they maintain and continue to make all payments required under their Insurance Policies, and have the authority to supplement, amend, extend, renew, or replace their Insurance Policies in the ordinary course of business without further order of the Court.



## **II. Paying Obligations Under the Insurance Policies and the Premium Financing Agreements in the Ordinary Course of Business Is Warranted.**

11. Section 363(c)(1) of the Bankruptcy Code expressly grants the Debtors the authority to “enter into transactions . . . in the ordinary course of business” and “use property of the estate in the ordinary course of business without notice or a hearing.” Therefore, the Debtors believe they are permitted to pay all postpetition amounts due pursuant to the Insurance Policies and to renew or obtain new insurance policies as such actions are in the ordinary course of the Debtors’ business. Out of an abundance of caution, however, the Debtors seek entry of an order granting the relief requested herein to avoid any disruptions to their business operations.

12. The relief requested herein may also be granted by the Court pursuant to sections 363(b) and 105(a) of the Bankruptcy Code. Section 363 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(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). “Where 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.”). Section 105(a) of the Bankruptcy Code further provides that a court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code, pursuant to the “doctrine of necessity.” 11 U.S.C. § 105(a).

### **III. Paying Obligations Under the Insurance Policies and the Premium Financing Agreements Falls Withing the Scope of the Doctrine of Necessity.**

13. The Debtors should be authorized to pay prepetition amounts related to the Insurance Policies and the Premium Financing Agreements under the doctrine of necessity. The “doctrine of necessity” functions in a chapter 11 case as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of prepetition claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re Lehigh & New Eng. Ry.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court may authorize payment of prepetition claims if such payment is essential to debtor’s continued operation); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of the Bankruptcy Code “provides a statutory basis for payment of pre-petition claims” under the doctrine of necessity); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (explaining that the doctrine of necessity is the standard in the Third Circuit for enabling a court to authorize the payment of prepetition claims prior to confirmation of a reorganization plan). Accordingly, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, this Court may grant the relief requested herein.

14. Paying Insurance Policy-related obligations is warranted under sections 363(b) and 363(c) of the Bankruptcy Code and the doctrine of necessity. Continuation of the Insurance Policies and the Premium Financing Agreements is essential to continuing uninterrupted operations and preserving the value of the Debtors’ estates. Failing to maintain the Insurance Policies and the Premium Financing Agreements would impair if not halt the Debtors’ ability to operate, resulting in a material adverse effect on the Debtors’ business and the value of their estates.

15. Courts in this district routinely grant similar relief. *See, e.g., In re Extraction Oil and Gas, Inc.*, 20-11548 (CSS) (Bankr. D. Del. Jun. 14, 2020) (authorizing debtors to pay prepetition insurance policy premiums, enter into new insurance policies in the ordinary course, honor their prepetition insurance financing agreement, and enter into new premium financing agreements in the ordinary course); *In re Longview Power, LLC*, 20-10951 (BLS) (Bankr. D. Del. Apr. 14, 2020) (same); *In re Quorum Health Corp.* (KBO) (Bankr. D. Del. Apr. 7, 2020) (same).<sup>4</sup>

#### **IV. The Debtors Should be Authorized to Honor and Renew the Premium Financing Agreements.**

16. The Debtors respectfully submit that payment of prepetition premiums and amounts owed under the Premium Financing Agreements is also necessary and appropriate, and may be authorized under sections 105(a) and 363(b) of the Bankruptcy Code. Moreover, pursuant to section 364(c) of the Bankruptcy Code, a debtor may, in the exercise of its business judgment, incur secured postpetition debt if the debtor has been unable to obtain unsecured credit and the borrowing is in the best interests of the estate. *See, e.g., In re Ames Dep't 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 Premium Financing Agreements on a postpetition basis is in the best interest of their estates. Moreover, in light of their financial circumstances, alternative insurance premium

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<sup>4</sup> 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.

finance companies may not be willing to provide insurance premium financing to the Debtors on attractive market terms on a postpetition basis. Simply put, it is critical for the Debtors to continue to perform under their existing Premium Financing Agreements.

17. Courts in this district have recognized the importance of a debtor honoring obligations under and renewing premium financing agreements and, thus, have granted relief similar to the relief requested in this motion under sections 105(a), 363(b), and 364(c) of the Bankruptcy Code. *See, e.g., In re Extraction Oil and Gas, Inc.*, 20-11548 (CSS) (Bankr. D. Del. Jun. 14, 2020) (authorizing payment of prepetition and postpetition obligations under secured premium financing agreements and renewal thereof); *In re Longview Power, LLC*, 20-10951 (BLS) (Bankr. D. Del. Apr. 14, 2020) (same); *In re Quorum Health Corp.* (KBO) (Bankr. D. Del. Apr. 7, 2020) (same).

### **RESERVATION OF RIGHTS**

18. Nothing contained in this Motion is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their right to contest any claim related to the relief sought in this Motion. Likewise, if the Court grants the relief sought in this Motion, any payment made pursuant to an order of the Court is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

### **THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED**

19. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." For the reasons discussed above, authorizing the relief requested in this Motion is integral to

Corner Bakery's ability to transition its operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt its operations at this critical juncture. For the reasons discussed herein, the relief requested in this Motion is necessary in order for Corner Bakery to operate its business in the ordinary course and preserve the ongoing value of its operations and maximize the value of its estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

#### **WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)**

20. To implement the foregoing successfully, Corner Bakery requests that the Court enter an order providing that notice of the relief requested in this Motion satisfies Bankruptcy Rule 6004(a) and that it has established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

#### **NOTICE**

21. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) SSCP Restaurant Investors LLC (“SSCP”), the Debtor's prepetition lender, Ken Schwab (kschwab@sscpmanagement.com), and counsel to SSCP, Foley & Lardner LLP, 2021 McKinney Avenue, Suite 1600, Dallas, TX. 75201, Attn: Holland N. O'Neil (honeil@foley.com), Mark C. Moore (mmoore@foley.com), and Stephan A. Jones (sajones@foley.com) and Ashby & Geddes, P.A, 500 Delaware Avenue, 8<sup>th</sup> Floor, P.O. Box 1150, Wilmington, DE. 19899, Attn: Ricardo Palacio (RPalancio@ashbygeddes.com); (d) the United States Attorney's Office for the District of Delaware, Attn: Linda Casey (Linda.Casey@usdoj.gov); (e) the Internal Revenue Service; (f) the office of the attorneys general

for the states in which the Debtors operate; (g) KBE Insurance Corporation Conner Strong and Buckelew; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this Motion is seeking “first day” relief, the Debtors will serve copies of this Motion and any order entered on this Motion as required by Local Rule 9013-1(m). Corner Bakery submits that, in light of the nature of the relief requested, no other or further notice need be given.

**NO PRIOR REQUEST**

22. No prior request for the relief sought in this Motion has been made by the Corner Bakery to this or any other court.

**WHEREFORE**, Corner Bakery respectfully requests that the Court enter the Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: March 1, 2023  
Wilmington, Delaware

*/s/ Mette H. Kurth*

Mette H. Kurth (DE Bar No. 6491)

**CULHANE MEADOWS, PLLC**

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*Proposed Counsel to the Debtors and Debtors in Possession*

**Exhibit A**

**Proposed Interim Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

**CBC RESTAURANT CORP., et al.,<sup>1</sup>**  
  
Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE  
INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY  
PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND,  
SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE  
TERMS OF THE PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS  
THEREUNDER, AND (D) ENTER INTO NEW PREMIUM FINANCING  
AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING  
RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) continue existing insurance coverage entered into prepetition and satisfy payment obligations related thereto; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business; (iii) honor the terms of their premium financing agreements and pay premiums thereunder, and (iv) enter into new premium financing agreements in the ordinary course of business; 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. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

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



for the District of Delaware, dated February 29, 2012; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; 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 Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances 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; 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 are authorized to continue the Insurance Policies identified in **Exhibit C** and satisfy payment obligations related thereto including, in their reasonable business judgment, any prepetition or postpetition obligations related to the Insurance Policies;
3. Renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business;
4. Honor the terms of the Premium Financing Agreements identified in **Exhibit D** and pay premiums thereunder, including, in their reasonable business judgment, any prepetition or postpetition obligations related to the Premium Financing Agreements;
5. Renew the Premium Financing Agreements and enter into new premium financing agreements in the ordinary course of business;

6. The Debtors authority under this Order to pay prepetition amounts owed on account of the Insurance Policies and Premium Financing Agreements shall not exceed \$483,000.

7. 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 validity of any prepetition claim against the Debtors; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

8. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. 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 any orders entered by the Court approving the Debtors' entry into any position debtor-in-possession financing facility and/or authorizing the Debtors' use of cash collateral and any budgets in connection therewith.

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

11. A final hearing to consider the relief requested in the Motion shall be held on \_\_\_\_\_, 2023 at \_\_\_\_\_ (Eastern Time), and any objections or responses to the Motion shall be filed and served on or prior to \_\_\_\_\_, 2023 at 4:00 p.m. (Eastern Time).

12. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

**Exhibit B**

**Proposed Final Order**

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

In re:

**CBC RESTAURANT CORP., et al.,<sup>1</sup>**

Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE INSURANCE  
COVERAGE ENTERED INTO PREPETITION AND SATISFY PREPETITION  
OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND, SUPPLEMENT,  
EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE TERMS OF  
THE PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER,  
AND (D) ENTER INTO NEW PREMIUM FINANCING AGREEMENTS IN THE  
ORDINARY COURSE OF BUSINESS, AND (II) GRANTING RELATED RELIEF**

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Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”): (a) continue existing insurance coverage entered into prepetition and satisfy payment obligations related thereto; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business; (iii) honor the terms of their premium financing agreements and pay premiums thereunder, and (iv) enter into new premium financing agreements in the ordinary course of business; 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. §§

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

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

157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; 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 Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances 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; 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:

13. The Motion is granted as set forth herein.
14. The Debtors are authorized to continue the Insurance Policies identified in **Exhibit C** and satisfy payment obligations related thereto including, in their reasonable business judgment, any prepetition or postpetition obligations related to the Insurance Policies;
15. Renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business;
16. Honor the terms of the Premium Financing Agreements identified in **Exhibit D** and pay premiums thereunder, including, in their reasonable business judgment, any prepetition or postpetition obligations related to the Premium Financing Agreements;
17. Renew the Premium Financing Agreements and enter into new premium financing agreements in the ordinary course of business;

18. The Debtors authority under this Order to pay prepetition amounts owed on account of the Insurance Policies and Premium Financing Agreements shall not exceed \$483,000.

19. 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 validity of any prepetition claim against the Debtors; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

20. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

21. 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 any orders entered by the Court approving the Debtors' entry into any position debtor-in-possession financing facility and/or authorizing the Debtors' use of cash collateral and any budgets in connection therewith.

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

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



**Exhibit C****Insurance Policies**

| Coverage                                     | Insurance Carrier                    | Policy #  | Term Premium   | Surcharges & Miscellaneous Fees | Total Cost     |
|--|--------------------------------------|-----------|----------------|---------------------------------|----------------|
| Commercial General Liability                 | North Pointe Insurance Company (QBE) | 171000021 | \$933,850.00   | Included                        | \$933,850.00   |
| Commercial Auto                              | QBE Insurance Corp                   | 161000673 | \$399,999.00   | \$172.39                        | \$400,171.39   |
| Workers' Compensation & Employer's Liability | QBE Insurance Corporation            | 152000418 | \$1,289,793.00 | \$61,147.00                     | \$1,350,940.00 |
| Commercial Umbrella Liability                | QBE Insurance Corporation            | 191000013 | \$280,000.00   | \$0.00                          | \$280,000.00   |

**Exhibit B**

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

In re:

**CBC RESTAURANT CORP., et al.,<sup>1</sup>**

Debtors.

Chapter 11

Case No. 23-10245 (KBO)

(Jointly Administered)

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONTINUE  
INSURANCE COVERAGE ENTERED INTO PREPETITION AND SATISFY  
PREPETITION OBLIGATIONS RELATED THERETO, (B) RENEW, AMEND,  
SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES, (C) HONOR THE  
TERMS OF ANY PREMIUM FINANCING AGREEMENTS AND PAY PREMIUMS  
THEREUNDER, AND (D) ENTER INTO NEW PREMIUM FINANCING  
AGREEMENTS IN THE ORDINARY COURSE OF BUSINESS, AND (II) GRANTING  
RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”): (a) continue existing insurance coverage entered into prepetition and satisfy payment obligations related thereto; (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business; (iii) honor the terms of any premium financing agreements and pay premiums thereunder, and (iv) enter into new premium financing agreements in the ordinary course of

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include CBC Restaurant Corp. (0801), Corner Bakery Holding Company (3981), and CBC Cardco, Inc. (1938). The Debtors’ service address is 121 Friends Lane, Suite 301, Newtown PA 18940.

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



business; 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. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; 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 Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances 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; 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 on an interim basis on the terms set forth herein.
2. The Debtors are authorized to continue the Insurance Policies identified in **Exhibit C** of the Motion, and satisfy payment obligations related thereto including, in their reasonable business judgment, any prepetition or postpetition obligations related to the Insurance Policies.
3. The Debtors shall request that clarifying amendments be provided by the insurance carrier for the Insurance Policies via endorsements that: (a) name CBC as the named insured; (b) add an endorsement to all of the Insurance Policies clarifying that PRBG is covered only by virtue of its status as the controlling party of CBC; (c) add SSCP as an additional insured as to all of the Insurance Policies (except the Workers' Compensation Policy), and with respect to the general

liability policy, also add SSCP as a notice party entitled to 30 days advance notice of cancellation; and (d) add the Trustee to all insurance policies as a notice party. Debtors shall request that new certificates of insurance be issued for the Insurance Policies conforming to the above requested amendments and shall provide copies to SSCP and the Trustee of such certificates promptly upon receipt.

4. After five (5) business days' notice to SSCP and after consultation with SSCP, the Debtors are authorized to renew, amend, supplement, or extend existing coverage in the ordinary course of business, including paying, in their reasonable business judgment, any prepetition or postpetition obligations related to them.

5. After five (5) business days' notice to SSCP and after consultation with SSCP, the Debtors are authorized to purchase future insurance coverage in the ordinary course of business, including paying, in their reasonable business judgment, any prepetition or postpetition obligations.

6. The Debtors are authorized to honor the terms of any Premium Financing Agreements and pay any premiums thereunder, including in their reasonable business judgment, any prepetition or postpetition obligations related to them.

7. After five (5) business days' notice to SSCP and after consultation with SSCP, the Debtors are authorized to renew any Premium Financing Agreements including, in their reasonable business judgment, paying any prepetition or postpetition obligations.

8. After five (5) business days' notice to SSCP and after consultation with SSCP, the Debtors are authorized to enter into new premium financing agreements in the ordinary course of business including, in their reasonable business judgment, paying any prepetition or postpetition obligations.

9. The Debtors authority under this Interim Order to pay prepetition amounts owed on account of the Insurance Policies and any Premium Financing Agreements shall not exceed \$483,000.

10. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against the Debtors; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

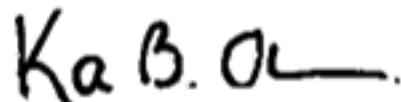
11. The terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

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

13. A final hearing to consider the relief requested in the Motion shall be held on **March 28, 2023, at 1 pm (Eastern Time)**, and any objections or responses to the Motion shall be filed and served on or prior to **March 21, 2023 at 4:00 p.m. (Eastern Time)**.

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

Dated: March 17th, 2023  
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS  
UNITED STATES BANKRUPTCY JUDGE