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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 11
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1141 REALTY OWNER LLC, <u>et al.</u> ,	: Case No. 18-12341 (SMB)
	:
Debtors.	: Joint Administration Pending
	:
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**DEBTORS’ MOTION FOR ENTRY OF AN ORDER EXTENDING THE DEBTORS’
TIME TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

1141 Realty Owners LLC (“Owner”) and Flatironhotel Operations LLC (“Operator” and together with Owner, the “Debtors”¹), the debtors and debtors-in-possession in the above-referenced chapter 11 cases (the “Chapter 11 Cases”) submit this Motion (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A**, extending the time within which the Debtors must file their schedules of assets and liabilities, executory contracts and unexpired leases, lists of equity security holders, statement of financial affairs and other documents required pursuant to the Bankruptcy Rules and the Local Bankruptcy Rules (collectively, the “Schedules and SOFA”) pursuant to section 521 of title 11 of the United States

¹ The Debtors herein and the last four digits of their respective tax identification number are: 1141 Realty Owner LLC (1804) and Flatironhotel Operations LLC (4773). The Debtors’ principal place of business is 9 West 26th Street a/k/a 1141 Broadway, New York, New York.

Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of this Motion, the Debtors rely upon the First Day Declaration (defined below), and respectfully state as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATE

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for the relief sought herein are section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(5), 1007(c) and 9006(b).

BACKGROUND

4. On the date hereof (the “Petition Date”), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
5. The Court and interested parties are respectfully referred to the Declaration of James Katchadurian Pursuant to Local Bankruptcy Rules 1007-2 and 9007-1 (the “First Day Declaration”) for a detailed description of the Debtors’ businesses and events leading to the commencement of the Chapter 11 Cases.
6. The United States Trustee has not appointed an official creditors’ committee in the Chapter 11 Cases. No trustee or examiner has been appointed in the Chapter 11 Cases.

RELIEF REQUESTED AND BASIS THEREOF

7. Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Schedules and SOFA must be filed by no later than fourteen (14) days after the Petition Date. Through this motion, the Debtors request an extension of time to file the Schedules and SOFA for an additional thirty-one (31) days, which will provide the Debtors with a total of forty-five (45) days after the Petition Date to file the Schedules and SOFA.

BASIS FOR RELIEF

8. Pursuant to Fed. R. Bankr. P. 1007(a)(5), 1007(c) and 9006(b), this Court has authority to extend the time required for the Debtors' filing of the Schedules and SOFA "for cause." The Bankruptcy Rules do not define or delineate the parameters necessary to establish cause for an extension of time to file the Schedules and SOFA. However, courts have held that "cause shown" is a liberal standard, and extensions of time for filing schedules and a statement of financial affairs should be granted in the absence of prejudice or bad faith. See Bryant v. Smith, 165 B.R. 176, 181-82 (W.D. Va. 1994).

9. In the period immediately preceding the Petition Date, the Debtors and their professionals were focused on numerous tasks relating to the filing of the Bankruptcy Cases, including, but not limited to reviewing voluminous documents in preparation of the Chapter 11 Cases, preparing various "first day" motions aimed at transitioning the Debtors into Chapter 11 with minimal disruption and preparing for the sale of substantially all of the Debtors' assets. The Debtors submit that focusing the attention of their key accounting and legal personnel on critical operational and sale-related issues during the early days of the Bankruptcy Cases will help the Debtors make a smoother transition into Chapter 11, and, therefore, ultimately maximize the value of the estate for the benefit of creditors and all parties-in-interest.

10. Substantial time and effort is required to prepare accurate and complete the Schedules and SOFA. It is in the best interest of the Debtors and their creditors that the Debtors be granted the extension of time to file their Schedules and SOFA. As such, the Debtors submit that “cause” exists to extend the deadline for the Debtors to file their Schedules and SOFA by an additional thirty-one (31) days, for a total of forty-five (45) days after the Petition Date, without prejudice to the Debtors’ right to seek a further extension of the deadline from the Court.

11. The relief sought herein is solely procedural and is not intended to affect substantive rights. Indeed, the relief requested herein is commonly granted in this District.² See, e.g., In re The Great Atlantic & Pacific Tea Co., Inc., Case No. 15-23007 (RDD) (Bankr. S.D.N.Y. Aug. 21, 2015) (extending the date the debtors may file their schedules and statements of financial affairs by 30 days); In re Relativity Fashion, LLC, Case No. 15-11989 (MEW) (Bankr. S.D.N.Y. Aug. 3, 2015) (extending the date the debtors may file their schedules and statements of financial affairs by 31 days); In re Sabine Oil & Gas Corp., Case No. 15-11835 (SCC) (Bankr. S.D.N.Y. July 16, 2015) (extending the date the debtors may file their schedules and statements of financial affairs by 30 days); In re Doral Fin. Corp., Case No. 15-10573 (SCC) (Bankr. S.D.N.Y. Mar. 16, 2015) (same); In re J&B Partners Mgmt. LLC, Case No. 15-22017 (RDD) (Bankr. S.D.N.Y. Feb. 10, 2015) (same); In re Binder & Binder—The National Social Security Disability Advocates (NY), LLC, Case No. 14-23728 (RDD) (Bankr. S.D.N.Y. Dec. 22, 2014) (extending the date the debtors may file their schedules and statements of financial affairs by 32 days); In re Inversiones Alsacia S.A., Case No. 14-12896 (MG) (Bankr.

² Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon email request of Debtors’ counsel by contacting Tracy Klestadt, Esq. at TKlestadt@Klestadt.com.

S.D.N.Y. Oct. 16, 2014) (extending the date the debtors may file their schedules and statements of financial affairs by 60 days); In re SIGA Techs., Inc., Case No. 14-12623 (SHL) (Bankr. S.D.N.Y. Sept. 18, 2014) (same).

12. For these reasons, the Debtors submit that the relief requested herein is in the best interest of the Debtors, their estate, creditors, and other parties in interest and, therefore, should be granted.

NOTICE

13. No trustee, examiner or creditors' committee has been appointed in these Chapter 11 Cases. Notice of this Motion will be given to (a) United States Trustee; (b) known secured claim holders; and (c) the holders of the 25 largest unsecured claims. The Debtors submit that no other notice need be given.

NO PRIOR REQUEST

13. No previous request for the relief sought herein has been made by the Debtors to this Court or any other court.

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WHEREFORE, for all the foregoing reasons, the Debtors respectfully request entry of an order, substantially in the form annexed hereto as **Exhibit A**, granting the relief requested herein, and such other further relief as the Court deems just and equitable.

Dated: New York, New York
July 31, 2018

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*Proposed Attorneys for the Debtors and
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EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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**ORDER EXTENDING THE DEBTORS’ TIME TO FILE SCHEDULES
AND STATEMENTS OF FINANCIAL AFFAIRS**

Upon the motion (the “Motion”)¹ of 1141 Realty Owner LLC (“Owner”) and Flatironhotel Operations LLC (“Operator” and together with Owner, the “Debtors”), the debtors and debtors-in-possession in the above-referenced chapter 11 cases (the “Chapter 11 Cases”), for entry of an order extending the Debtors’ time to file their schedules of assets and liabilities, executory contracts and unexpired leases, lists of equity security holders, statement of financial affairs and other documents required pursuant to the Bankruptcy Rules and the Local Bankruptcy Rules (collectively, the “Schedules and SOFA”) pursuant to section 521 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. and Rule 1007 of the Federal Rules of Bankruptcy Procedure; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§157 and 1334; and venue being proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding under 28 U.S.C. §§ 157(b)(2); and notice of the Motion being sufficient under the circumstances; and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors; and after due deliberation and sufficient cause appearing therefor;

¹ Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The time within which the Debtors must file their Schedules and SOFA is hereby extended to and including September 14, 2018.
3. This extension shall be without prejudice to the Debtors' rights to seek a further extension, if necessary.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
5. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: New York, New York
_____, 2018

UNITED STATES BANKRUPTCY JUDGE