

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

In re:	)	
	)	Chapter 11
Sustainable Restaurant Holdings, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11087 (___)
Debtors.	)	(Joint Administration Requested)

**DEBTORS’ MOTION FOR ENTRY OF AN INTERIM AND FINAL ORDER  
(I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY  
THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO  
PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW,  
SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, AND  
(D) HONOR THE TERMS OF THE FINANCING AGREEMENTS AND PAY  
PREMIUMS THEREUNDER, AND (II) GRANTING RELATED RELIEF**

Sustainable Restaurant Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”),<sup>2</sup> respectfully state the following in support of this motion:

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each of the Debtors’ respective federal tax identification numbers, are as follows: Sustainable Restaurant Holdings, Inc. (6430); SRG Operations, LLC (0486); Quickfish LLC (7391); Bamboo Sushi, LLC (9009); Quickfish Pearl District LLC (9060); Quickfish SW Stark, LLC (1879); Quickfish Slabtown LLC (7391); Quickfish Avanti (Bamboo Sushi Avanti, LLC) (9009); Bamboo Sushi NE Alberta, LLC (7610); Bamboo Sushi Lake Oswego, LLC (9484); Bamboo Sushi SW 12th, LLC (7382); Bamboo Sushi Denver Lo-Hi, LLC (4045); Bamboo Sushi NW 23rd, LLC (1361); Bamboo Sushi Seattle Cap Hill, LLC (9009); Bamboo Sushi U Village Seattle, LLC (9052); Bamboo Sushi Embarcadero SF, LLC (5837); Bamboo Sushi Bishop Ranch, LLC (3763); Bamboo Sushi Kierland Scottsdale, LLC (0483); Bamboo Sushi Commissary Kitchen, LLC (2194); Bamboo Sushi Biltmore Phoenix, LLC (9412); Bamboo Sushi Valley Fair, LLC (2887); Bamboo Sushi Washington Square, LLC (5066). The Debtors’ headquarters address is: 920 SW 6th Avenue, Suite 1200, Portland, OR 97204 and mailing address is: PO Box 3347, Portland, OR 97208. The Debtors operate restaurants under the following names: Bamboo Sushi and Quickfish.

<sup>2</sup> A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the Declaration of Matthew Park in Support of Debtors’ First Day Motions and Applications (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), on May 12, 2020 (the Petition Date”).

**Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the form attached hereto as **Exhibit A** and **Exhibit B** (respectively, the “Interim Order” and “Final Order”): (a) authorizing, but not directing, the Debtors to (i) pay their obligations under insurance policies entered into prepetition, (ii) continue to pay certain brokerage fees, (iii) renew, supplement, modify, or purchase insurance coverage in the ordinary course, and (iv) honor the terms of the Financing Agreements (as defined below) and pay premiums thereunder; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing within approximately 30 days of the commencement of these chapter 11 cases to consider approval of this motion on a final basis.

**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. 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.

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) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 9013-1(m).

### **Background**

5. Information about the Debtors' business and the events leading to the commencement of these chapter 11 cases can be found in the First Day Declaration, which is incorporated herein by reference.

### **The Debtors' Insurance Policies**

6. The Debtors maintain approximately 11 insurance policies (collectively, the "Insurance Policies") administered by multiple third-party insurance carriers (collectively, the "Insurance Carriers"). The Insurance Policies provide coverage for, among other things, the Debtors' directors and officers liability, crime, marine cargo, casualty, international, and network/cyber liability. A schedule of the Insurance Policies is attached hereto as **Exhibit C**.<sup>3</sup>

7. For the twelve months preceding the Petition Date, the Debtors paid approximately \$117,000 in the aggregate on account of premiums under the existing business Insurance Policies, approximately \$115,000 in the aggregate on account of Workers' Compensation Insurance, and approximately \$517,000 paid for employee health insurance policies. The Debtors generally pay premiums with respect to the Insurance Policies, as a combination of down payment and monthly payment, to the Debtors' insurance broker.

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<sup>3</sup> The attached Exhibit C includes insurance policies relating to the Debtors workers' compensation program. A description of the program is set forth in the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing, but not directing, the Debtors to (A) Pay Prepetition Employee Wages, Salaries, other Compensation, and Reimbursable Employee Expenses and (B) Continue Employee Benefits Programs and (II) Granting Related Relief, filed contemporaneously herewith. The authorization to pay the premiums for such programs are included in this Motion.

8. Two of the Debtors insurance policies are financed through premium financing agreements (the “Financing Agreements”) with First Insurance Funding. Pursuant to the Financing Agreements, the Debtors are required to make monthly premium payments for the various policies. As of the Petition Date, there is approximately \$31,000 outstanding on account of the Financing Agreements, some or all of which will come due during the pendency of these chapter 11 cases. The Debtors seek the authority to honor any prepetition amounts outstanding on account of the Insurance Policies, including under the terms of the Financing Agreements, and pay premiums thereunder in an aggregate amount up to \$9,000 on an interim basis and up to \$31,000 on a final basis, and to renew the Financing Agreements.

9. The Debtors have additional insurance obligations. As of the Petition Date, the Debtors estimate that approximately \$15,000 of additional insurance obligations have or will come due on account of prepetition activities, all of which will be payable after the interim period. The Debtors seek authority to honor these prepetition obligations up to an amount of \$115,000 on a final basis.

10. Continuation of the Insurance Policies is essential to the preservation of the value of the Debtors’ properties and assets. Moreover, in many cases, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts governing the Debtors’ commercial activities, including the requirements of the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). Accordingly, the Debtors request authority to maintain their existing Insurance Policies, to the extent appropriate with respect to the Debtors’ remaining operations, to pay prepetition obligations related thereto, and to enter into new insurance policies and premium financing agreements, as applicable.

### **Brokerage Fees**

11. In connection with the Insurance Policies, the Debtors obtain insurance brokerage services from Fournier & Associates, Inc. (the “Broker”). The Broker assists the Debtors in obtaining comprehensive insurance coverage for the Debtors’ operations by evaluating benefit plan offerings, assisting the Debtors with the procurement and negotiation of the Insurance Policies, and enabling the Debtors to obtain those policies on advantageous terms at competitive rates. In connection with these services, the Debtors pay brokerage fees (collectively, the “Brokerage Fees”) that are embedded in the premium paid to the Broker. As of the Petition Date, the Debtors estimate that they are current with respect to their prepetition Brokerage Fees.

12. The Debtors believe that continuation of the services of the Broker is necessary to assure the Debtors’ ability to secure Insurance Policies on advantageous terms at competitive rates, facilitate the proper maintenance of the Debtors’ Insurance Policies postpetition, and ensure adequate protection of the Debtors’ property for any party in interest. Accordingly, the Debtors request authority to continue paying the Brokerage Fees.

### **Basis for Relief**

#### **I. Paying Obligations Under the Insurance Policies and Maintaining Insurance Coverage in the Ordinary Course Is Warranted.**

13. Section 363 of the Bankruptcy Code provides 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); *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.").

14. 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). 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 critical prepetition claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that a court may authorize payment of prepetition claims if essential to the 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 prepetition 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 chapter 11 plan).

15. Paying obligations under the Insurance Policies and Brokerage Fees 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. Furthermore, insurance coverage is required by the U.S. Trustee as well as the laws of various

jurisdictions in which the Debtors operate. Failing to maintain the Insurance Policies would have a material adverse effect on the ability of the Debtors to maximize the value of their estates.

16. Indeed, courts in this district have granted relief similar to the relief requested herein under sections 105(a) and 363(b) of the Bankruptcy Code. *See, e.g., In re Dolan Company*, No. 14-10614 (BLS) (Bankr. D. Del. May 25, 2014) (authorizing debtors to pay prepetition premiums and enter into new insurance policies pursuant to sections 105(a) and 363(b) of the Bankruptcy Code); *In re Longview Power, LLC*, No. 13-12211 (BLS) (Bankr. D. Del. Sept. 24, 2013) (same); *In re Maxcom Telecomunicaciones, S.A.B. de C.V.*, No. 13-11839 (PJW) (Bankr. D. Del. July 25, 2013) (same); *In re Adoc Holdings Inc. (f/k/a Coda Holdings, Inc.)*, No. 13-11153 (CSS) (Bankr. D. Del. May 3, 2013) (same); *In re Prommis Holdings, LLC*, No. 13-10551 (BLS) (Bankr. D. Del. Apr. 25, 2013) (same).<sup>4</sup>

**Processing of Checks and  
Electronic Fund Transfers Should Be Authorized**

17. The Debtors have sufficient funds to pay the amounts described in this motion by virtue of expected cash flows during the chapter 11 cases, debtor-in-possession financing, 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 an authorized payment in respect of the Insurance Policies. 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 and direct 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.

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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 of the Debtors' proposed counsel.

**The Requirements of Rule 6003 Are Satisfied**

18. 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 Debtors to continue insurance coverage and granting the other relief requested herein is integral to the Debtors’ ability to transition their 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 the Debtors’ ability to administer their estates at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtors to preserve and maximize the value of the Debtors 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.

**Reservation of Rights**

19. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Interim Order and Final Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against a Debtor entity; (b) a waiver of the Debtors’ rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume any 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 this motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or

seek avoidance of all such liens. If the Court grants the relief sought herein, 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' rights to subsequently dispute such claim.

**Waiver of Bankruptcy Rules 6004(a) and 6004(h)**

20. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**Notice**

21. The Debtors will provide notice of this motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (c) all parties asserting liens against the Debtors' assets; (d) the United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) the state attorneys general for all states in which the Debtors conduct business or have conducted business; (h) the Insurance Carriers; and (i) any party that requests service pursuant to Bankruptcy Rule 2002. As the Motion is seeking "first day" relief, within two business days after the hearing on the Motion, the Debtors will serve copies of the Motion and any order entered respecting the Motion as required by Del. Bankr. LR 9013-1(m)(iv). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

22. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Interim Order and Final Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: May 12, 2020  
Wilmington, Delaware

*/s/ Domenic E. Pacitti*

**KLEHR HARRISON HARVEY BRANZBURG LLP**

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*Proposed Attorneys for the Debtors*

**EXHIBIT A**

**Proposed Interim Order**

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

In re:	)	Chapter 11
	)	
Sustainable Restaurant Holdings, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11087 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	Related to Docket No. ___

**INTERIM ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, AND (D) HONOR THE TERMS OF THE FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER, 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”): (i) authorizing, but not directing, the Debtors to (a) pay their obligations under the insurance policies entered into prepetition, (b) continue to pay certain brokerage fees, (c) renew, supplement, modify, or purchase insurance coverage in the ordinary course, and (d) honor the terms of the Financing Agreements and pay premiums thereunder; and (ii) granting related relief; all as more fully set forth in the

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each of the Debtors’ respective federal tax identification numbers, are as follows: Sustainable Restaurant Holdings, Inc. (6430); SRG Operations, LLC (0486); Quickfish LLC (7391); Bamboo Sushi, LLC (9009); Quickfish Pearl District LLC (9060); Quickfish SW Stark, LLC (1879); Quickfish Slabtown LLC (7391); Quickfish Avanti (Bamboo Sushi Avanti, LLC) (9009); Bamboo Sushi NE Alberta, LLC (7610); Bamboo Sushi Lake Oswego, LLC (9484); Bamboo Sushi SW 12th, LLC (7382); Bamboo Sushi Denver Lo-Hi, LLC (4045); Bamboo Sushi NW 23rd, LLC (1361); Bamboo Sushi Seattle Cap Hill, LLC (9009); Bamboo Sushi U Village Seattle, LLC (9052); Bamboo Sushi Embarcadero SF, LLC (5837); Bamboo Sushi Bishop Ranch, LLC (3763); Bamboo Sushi Kierland Scottsdale, LLC (0483); Bamboo Sushi Commissary Kitchen, LLC (2194); Bamboo Sushi Biltmore Phoenix, LLC (9412); Bamboo Sushi Valley Fair, LLC (2887); Bamboo Sushi Washington Square, LLC (5066). The Debtors’ headquarters address is: 920 SW 6th Avenue, Suite 1200, Portland, OR 97204 and mailing address is: PO Box 3347, Portland, OR 97208. The Debtors operate restaurants under the following names: Bamboo Sushi and Quickfish.

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

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 that this Court 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 (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 on an interim basis as set forth herein.
2. The final hearing (the "Final Hearing") on the Motion shall be held on [\_\_\_\_], 2020, at [\_\_\_\_], prevailing Eastern Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on [\_\_\_\_], 2020, and shall be served on: (a) the Debtors, Sustainable Restaurant Holdings, Inc., P.O. Box 3347, Portland, OR 97208, Attn: Matthew Park ; (b) proposed counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com); (c) counsel to the DIP Agent, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Seven N. Serajeddini, P.C.

([steven.serajeddini@kirkland.com](mailto:steven.serajeddini@kirkland.com)) and 300 North LaSalle, Chicago, IL 60654, Attn: Kevin McClelland ([kevin.mcclelland@kirkland.com](mailto:kevin.mcclelland@kirkland.com)); (d) counsel to any statutory committee/Standing Trustee appointed in these cases; and (e) Office of The United States Trustee, 844 King Street, Suite 2207, LockBox 35, Wilmington, Delaware 19801, Attn: David Villagrana ([David.villagrana2@usdoj.gov](mailto:David.villagrana2@usdoj.gov)). In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, to continue the Insurance Policies identified on **Exhibit C** attached to the Motion and to pay any prepetition or postpetition obligations under the Insurance Policies, the Brokerage Fees, and any other amounts related to the Insurance Policies, on an interim basis, to the extent that the Debtors determine, in their sole discretion, that such actions are in the best interest of their estates.

4. Notwithstanding anything to the contrary herein, the Debtors are authorized on an interim basis to honor any prepetition amounts outstanding on account of the Insurance Policies, including under the terms of the Financing Agreements, and pay premiums thereunder in an aggregate amount up to \$30,000 and to renew the Financing Agreements.

5. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Financing Agreements.

6. The Debtors are authorized to renew, supplement, modify, or enter into new insurance policies in the ordinary course.

7. 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 a Debtor entity; (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 or the rights of any other Person 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 banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed 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 Interim Order.

9. 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 any Insurance Policies.

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

11. 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.

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

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

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

**EXHIBIT B**

**Proposed Final Order**

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

In re:	)	Chapter 11
	)	
Sustainable Restaurant Holdings, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 20-11087 (___)
	)	
Debtors.	)	(Joint Administration Requested)
	)	
	)	Related to Docket No. ___

**FINAL ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (A) PAY THEIR OBLIGATIONS UNDER INSURANCE POLICIES ENTERED INTO PREPETITION, (B) CONTINUE TO PAY BROKERAGE FEES, (C) RENEW, SUPPLEMENT, MODIFY, OR PURCHASE INSURANCE COVERAGE, AND (D) HONOR THE TERMS OF THE FINANCING AGREEMENTS AND PAY PREMIUMS THEREUNDER, 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 a final order (this “Final Order”): (i) authorizing, but not directing, the Debtors to (a) pay their obligations under the insurance policies entered into prepetition, (b) continue to pay certain brokerage fees, (c) renew, supplement, modify, or purchase insurance coverage in the ordinary course, and (d) honor the terms of the Financing Agreements and pay premiums thereunder; and (ii) granting related relief; all as more fully set forth in the

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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 that this Court 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 (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 on a final basis as set forth herein.
2. The Debtors are authorized, but not directed, to continue the Insurance Policies identified on Exhibit C attached to the Motion and to pay any prepetition or postpetition obligations under the Insurance Policies, the Brokerage Fees, and any other amounts related to the Insurance Policies, to the extent that the Debtors determine, in their sole discretion, that such actions are in the best interest of their estates.
3. Notwithstanding anything to the contrary herein, the Debtors are authorized to honor any prepetition amounts outstanding on account of the Insurance Policies, including under the terms of the Financing Agreements, and pay premiums and obligations thereunder in an aggregate amount up to \$140,000 and to renew the Financing Agreements.

4. Notwithstanding anything to the contrary in the Financing Agreements, the Debtors' filing of these chapter 11 cases shall not constitute a default under the Financing Agreements.

5. The Debtors are authorized to renew, supplement, modify, or enter into new insurance policies in the ordinary course.

6. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (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 Final 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 or the rights of any other Person 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.

7. 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 and directed 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 Final Order.

8. 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 any Insurance Policies.

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

10. 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.

11. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final 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 Final Order in accordance with the Motion.

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

**EXHIBIT C**

**Insurance Policies**

**Exhibit C – Insurance Policies**

<b>Type of Coverage</b>	<b>Insurance Carrier</b>	<b>Policy Number(s)</b>	<b>Approximate Annualized Gross Premium<sup>1</sup></b>
EPLI	Stratford Insurance Company	PD0901121	\$10,913
D&O	Scottsdale Indemnity Co	EKI3317186	\$7,187
Business Owner/General Casualty	Arrowhead General Insurance Agency, Inc./ General Casualty Company of Wisconsin	BBP0011344	\$49,273
Commercial Auto	Arrowhead General Insurance Agency, Inc./ General Casualty Company of Wisconsin	BCA0004545	\$3,830
Umbrella	Arrowhead General Insurance Agency, Inc./ General Casualty Company of Wisconsin	BUM0005346	\$5,109
	Arrowhead General Insurance Agency, Inc./ General Casualty Company of Wisconsin	SAB0021859	\$14,553
Key Life Insurance	New York Life Insurance Company	14782123	\$5,505
Workers Compensation	Employers Assurance Co	EIG292121400	\$68,994
Workers Compensation	SAIF		\$41,376
Cyber/Privacy/Media	Lloyd's of London	EVOPNA491508	\$8,750
Restaurant Recovery	Professional Indemnity Agency, Inc. dba Tokio Marine HCC – Specialty Group	U720860428	\$7,425
Earthquake	Lloyd's of London	77MSW1665	\$15,658

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<sup>1</sup> The Approximate Annualized Gross Premium does not include any premium, tax, or issuance fee unless otherwise specified.