United States Bankruptcy Court
Southern District of Texas
ENTERED
June 24, 2025
Nathan Ochsner, Clerk

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
SPICEY PARTNERS REAL ESTATE HOLDINGS, LLC, *et al.*[1]	§	Case No. 24-90572 (CML)
	§	(Jointly Administered)
Debtors.	§	**Re: Docket No. 434**

ORDER (I) CONVERTING THE DEBTORS' CHAPTER 11 CASES TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE; (II) ESTABLISHING A DEADLINE FOR FILING FINAL CHAPTER 11 FEE APPLICATIONS; AND (III) GRANTING RELATED RELIEF

Upon the emergency motion (the "Motion")[2] of above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of an order pursuant to section 1112 of the Bankruptcy Code: (i) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (ii) establishing a deadline for professionals to file final chapter 11 fee applications and setting a hearing thereon; and (iii) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this Motion pursuant to 28 U.S.C. § 1334; and this matter being a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and the Court being able to issue a final order consistent with Article III of the United States Constitution; and venue of this proceeding and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and proper and adequate notice of and opportunity for a hearing on the Motion have been provided, and it appearing that no other or further notice need be provided; and the relief requested in the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Spicey Partners Real Estate Holdings, LLC (6459) and Cosmed Group, Inc (8781). The location of the Debtors' service address is: 28 Narragansett Ave., Jamestown, RI 02835.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Motion being in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Debtors' Chapter 11 Cases are hereby converted to cases under chapter 7 of the Bankruptcy Code, effective as of July 2, 2025.

2. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

3. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

4. Professionals shall file final statements and applications for compensation (including, without limitation, fees and expenses that are not the subject of any previous application, and any "holdback" retained in accordance with the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 107]) (collectively, the "Fee Applications") on or before August 1, 2025, or be forever barred from receiving any such compensation. Objections, if any, to a Fee Application must be filed and served on counsel to the Debtors, the chapter 7 trustee once appointed, and the party filing such Fee Application, so as to be actually received on or before August 15, 2025, at 4:00 p.m. (CT). A hearing on such timely filed final Fee Applications shall be held before this Court on **August 22, 2025 at 10:00 a.m. (CT).**

5. The Debtors shall:

i. on or before seven (7) days after entry of this Order, turn over to the chapter 7 trustee all records and property of the estate under their custody and control as required by Bankruptcy Rule 1019(4);

ii. within fourteen (14) days after entry of this Order, as required by Bankruptcy Rule 1019(5), file a schedule of unpaid debts incurred after the Petition Date and before entry of this Order, which schedule shall include the name and address of each creditor holding any such debt;

iii. within fourteen (14) days after entry of this Order, as required by Bankruptcy Local Rule 1019-1, file: (1) supplemental schedules itemizing changes from the original schedules in property of the estates and in creditor lists, or (2) a statement that there are no changes; and

iv. within thirty (30) days after entry of this Order, as required by Bankruptcy Rule 1019(5), file and transmit a final report and account to the Office of the United States Trustee for the Southern District of Texas.

6. Upon the Debtors' turnover of all records and property of the estates under their custody and control to the chapter 7 trustee as required herein, the chapter 7 trustee shall continue to preserve all financial and operational books and records, emails, and other financial and operational documents relating to the Debtors' business that were in the Debtors' possession prior to such turnover. The chapter 7 trustee shall not destroy or otherwise abandon any such documents or records without seeking authorization from this Court.

7. Upon entry of this Order, the Debtors are authorized to provide Greenberg Traurig and RSR each with a $25,000 retainer for their services to be rendered and expenses to be incurred post-conversion. Greenberg Traurig is authorized to apply the GT Retainer for fees and expenses associated with any post-conversion work. Greenberg Traurig and RSR shall be authorized to apply these retainer monies to pay any fees and expenses incurred after conversion to Chapter 7 without the need for further court order and without the need for filing any fee application. In the event any amounts remain from the retainers upon completion of the Debtors' post-conversion responsibilities, such amounts shall be remitted to the DIP Lender.

8. Upon entry of this Order, the Debtors are authorized to transfer the funds currently held in a segregated account established by the Debtors to hold the amounts set aside to pay the Debtors' and Committee's professionals to Greenberg Traurig's IOLTA trust account. Greenberg Traurig shall disburse such funds to the Debtors' and the Committee's professionals consistent with any final fee order and to the extent any monies remaining after paying all amounts due under the final fee orders, Greenberg Traurig shall remit the remaining balance to the DIP Lender. To the extent that there are insufficient funds to pay the Debtors' or Committee's professionals from Greenberg Traurig's trust account, Greenberg Traurig shall have no liability to any professional for any unpaid amounts.

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

Signed: June 24, 2025

Christopher Lopez
United States Bankruptcy Judge