

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

In re:

BURGERFI INTERNATIONAL, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12017 (CTG)

(Joint Administration Requested)

**DECLARATION OF JEREMY ROSENTHAL IN SUPPORT OF
CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS**

I, Jeremy Rosenthal, hereby declare under penalty of perjury as follows:

1. I serve as the Chief Restructuring Officer ("CRO") of BurgerFi International, Inc. ("BFI"), and its subsidiaries, the debtors and debtors in possession (the "Debtors") in the above-captioned bankruptcy cases (the "Chapter 11 Cases"). I submit this declaration in support of the Debtors' petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") filed on September 11, 2024 (the "Petition Date") and the relief requested pursuant to the Debtors' applications and motions filed contemporaneously herewith (collectively, the "First Day Motions").

2. I am a partner with Force Ten Partners, LLC ("Force 10"), an advisory firm specializing in financial and operational restructurings, challenged business situations, litigation support, and other similar consulting services. I, and my colleagues at Force 10, have substantial experience providing chief restructuring officer services for entities that have filed for relief under chapter 11 of the Bankruptcy Code, including assisting a company's board and management team to assess and respond to financial and operational challenges and serving as an officer of a

¹ A list of all Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, is available at <https://cases.stretto.com/BFI>. The Debtors' mailing address is 200 E Las Olas Blvd, Suite 1400, Fort Lauderdale, FL 33301.

company with responsibilities for analyzing, proposing, and overseeing restructuring efforts and working with other professionals, including counsel and colleagues at Force 10 providing financial advisory support, to inform the officer's analyses, proposals, implementation efforts and other decisions. I have served as chief restructuring officer, chief executive officer, independent director, or trustee for companies in a variety of industries. Prior to joining Force 10 in 2018, I was a restructuring partner at the international law firm Sidley Austin LLP. I received my *juris doctor* degree from the University of California at Los Angeles School of Law, graduating Order of the Coif, and a Bachelor of Arts degree from the University of California, Berkeley.

3. On August 14, 2024, BFI's Board of Directors appointed me as CRO pursuant to an engagement agreement between Force 10, BFI, and BFI's subsidiaries. Since that time, I have served as the CRO, and as the lead person from Force 10 overseeing this engagement. As CRO I have worked closely with BFI's management, board, special committee of the board, law firms, investment banker, and other advisors, as well as with other Force 10 personnel and certain BFI stakeholders to understand and analyze the financial and operational challenges facing BFI and to develop strategies to manage its liquidity, stabilize operations, negotiate financing arrangements and other agreements and ultimately develop and pursue restructuring strategies with the goal of efficiently maximizing the value of these estates for the benefit of their stakeholders.

4. I am familiar with the Debtors' operations, business affairs and circumstances leading to these Chapter 11 Cases. Unless otherwise indicated, all facts set forth in this declaration are based on (a) my personal knowledge of the Debtors' business operations and finances or my review of relevant documents, (b) information received from persons working under my supervision or direction, the Debtors' management team, or the Debtors' advisors, and/or (c) my

opinion based upon my experience as a restructuring professional. If called upon to testify, I would testify competently to the facts set forth herein.

SUMMARY

5. The Debtors are the owners, operators, and franchisors of two restaurant brands—"BurgerFi" and "Anthony's Coal Fired Pizza & Wings" ("Anthony's").



6. BurgerFi is a fast-casual "better burger" concept with 91 restaurants (76 franchised and 17 corporate-owned locations) across 18 states and in Puerto Rico and Saudi Arabia. BurgerFi is chef-founded, and is committed to serving fresh, all-natural and quality food at all locations, online and via third-party delivery services. BurgerFi offers a classic American menu of premium burgers, hot dogs, crispy chicken, frozen custard, hand-cut fries, shakes, beer, wine, and more. BurgerFi was originally founded in 2011 in Lauderdale-by-the-Sea, Florida. Among other recognitions, BurgerFi was named "The Very Best Burger" at the 2023 edition of the nationally acclaimed SOBE Wine and Food Festival, "Best Fast Food Burger" in USA Today's 10 Best 2023

Readers' Choice Awards for its BBQ Rodeo Burger, "Best Fast Casual Restaurant" in USA Today's 10 Best 2023 Readers' Choice Awards for the third consecutive year, QSR Magazine's Breakout Brand of 2020, and Fast Casual's 2021 #1 Brand of the Year.

7. Anthony's is a premium pizza and wing brand with 51 restaurants (50 corporate-owned locations and one dual brand franchised location) in 6 states. Anthony's food is primarily prepared using a 900-degree coal-fired oven with menu offerings including "welldone" pizza, coal-fired chicken wings, homemade meatballs, and a variety of handcrafted sandwiches and salads. Anthony's was named "The Best Pizza Chain in America" by USA Today's Great American Bites, "Top 3 Best Major Pizza Chain" by Mashed in 2021, and "The Absolute Best Wings in the U.S." by Mashed in 2022, and was named in "America's Favorite Restaurant Chains of 2022" by Newsweek.

8. The Debtors employ approximately 2,100 individuals at their restaurants and at corporate offices in Fort Lauderdale, Florida.

9. The Debtors' restaurants are located throughout the Midwest, Northeast, and South, with the majority of the restaurant locations in Florida (44 BurgerFi and 27 Anthony's).

10. BurgerFi was founded in 2011 and Anthony's in 2002. BFI became a publicly-traded security listed on NASDAQ in 2020 following a SPAC merger with Opes Acquisition Corp. In November 2021, BFI purchased Anthony's, acquiring it from Carboard Box, LLC. The 2021 acquisition of Anthony's was effected by BFI purchasing 100% of the outstanding shares of Hot Air, Inc. ("Hot Air"), the entity that owned and operated the Anthony's brand (through its subsidiaries) (the "Anthony's Acquisition").

11. An organizational chart is attached as **Exhibit A** hereto. As reflected in the organizational chart, BFI is the parent company of BurgerFi International, LLC ("BFI LLC"), and

Hot Air. BFI LLC is the parent of the BurgerFi affiliated entities and Hot Air is the parent of the Anthony's affiliated entities. The lease for each corporate-run location resides with a separate subsidiary Debtor who is the tenant under the real property lease for that location (hence, the number of subsidiary Debtors in these Chapter 11 Cases). The Debtors do not own any real estate; all restaurant locations are leased.

12. The Debtors commenced these cases because of various financial and operational challenges, including underperforming locations, an unsustainable debt burden, and declining revenues. With the protection of the Court, the Debtors seek to continue the process they started pre-petition of improving cash flow, streamlining operations, adjust to the now closed unprofitable restaurants, and reshaping the Debtors' footprint and operations for growth.

13. Prior to the Petition Date the Debtors retained Kroll Securities, Inc. ("Kroll"), as an investment banker and engaged in an extensive effort to sell the BurgerFi and Anthony's businesses. In light of the outcome of that sales process, the Debtors are preparing proposed bid procedures and stalking horse asset purchase agreements which we are optimistic will be filed with the Court shortly.

PREPETITION CAPITAL STRUCTURE

14. BFI and Plastic Tripod, Inc. ("Tripod" and together with BFI, the "Borrowers"),² are the borrowers under that certain credit agreement dated as of December 15, 2015 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, and together with ancillary agreements, the "Senior Credit Facility") with TREW Capital Management Private Credit 2, LLC ("TREW"), as lender, and Regions Bank, as administrative agent and

² Plastic Tripod, Inc., is the wholly owned subsidiary of Hot Air.

collateral agent ("Collateral Agent" and together with TREW, the "Senior Lender").³ Substantially all of BFI's subsidiaries are guarantors under the Senior Credit Facility as set forth therein. As of August 8, 2024, the total indebtedness under the Senior Credit Facility was \$57,753,470.95 (inclusive of \$1,352,087.95 in accrued interest). This sum does not include the \$2,500,000 emergency protective advance (the "Protective Advance") made by Senior Lender pursuant to the Emergency Protective Advance Agreement entered into between the Credit Parties, Senior Lender and Junior Lender, entered into on August 9, 2024 (the "Protective Advance Agreement"). Inclusive of the Protective Advance, the principal amount of the Senior Credit Facility is \$60,253,470.95.

15. The Protective Advance Agreement required the Borrowers (a) to obtain an LOI by August 28, 2024, providing for a transaction resulting in proceeds sufficient to repay the Senior Debt in full, (b) to execute a definitive agreement with respect to such LOI within seven days after receipt of the LOI, and (c) to close the transaction pursuant to the definitive agreement within sixty days of the execution of the same. The Borrowers did not receive the LOI required by the Forbearance Agreement by August 28, 2024.

16. TREW acquired the rights of the Senior Lender under the Senior Credit Facility in April 2024 by assignment from the prior lenders thereunder, Synovus Bank, Cadence Bank, Regions Bank, and Webster Bank (the "Prior Senior Lenders").

17. The Borrowers are also borrowers pursuant to that certain secured promissory note dated February 24, 2023 (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, and together with ancillary agreement, the "Junior Term Loan"), in

³ Tripod was an existing borrower under the Senior Credit Facility and BFI assumed the obligations under the Senior Credit Facility as part of the consideration for the Anthony's Acquisition. The current maturity date under the Senior Credit Facility is September 30, 2025 (the "Senior Facility Maturity Date"). The Senior Debt is secured by security interests in substantially all assets of the Borrowers and the subsidiary guarantors.

the principal amount of \$15,100,000.00, and in favor of CP7 Warming Bag, L.P. ("Junior Lender"), an affiliate of L. Catterton Fund ("L Catterton"). The Borrowers' obligations under the Junior Term Loan are guaranteed by substantially all of their subsidiaries. As of August 8, 2024, the principal indebtedness under the Junior Term Loan is approximately \$18,100,000 (the "Junior Debt"). The Junior Debt is secured by security interests in substantially all assets of the Borrowers and the subsidiary guarantors that are junior to the security interests securing the Senior Debt.

18. In connection with the Anthony's Acquisition, L Catterton was issued approximately \$55 million of BFI's preferred stock.

19. BFI's largest common stockholders are Ophir Sternberg (17.4%), Walleye Capital LLC (13.4%), Lionheart Equities, LLC (11.2%), CG2 Capital LLC (10.6%), Lion Point Capital, LP (10.2%), and The John Rosatti Family Trust dated August 27, 2001 (9.9%).

EVENTS LEADING UP TO THESE CASES

20. Unfortunately, despite the strength of their brands, the Debtors have not been immune to the macroeconomic and business headwinds plaguing the restaurant industry as a whole. In short, rising labor and food costs, increasing unemployment, higher interest rates, difficulties accessing growth capital, declining foot traffic, and declining consumer spending have put downward pressure on already tight margins, leading to significant losses and resulting in several restaurants that management did not believe could be operated profitably with the current resources, leasing terms and cost structure and which have now been closed.

21. Recent macroeconomic trends have headed in the wrong direction. The unemployment rate increased to 4.3% in July 2024, the highest rate in almost three years. According to findings by the U.S. Department of Agriculture, through July 2024, restaurant food prices have increased by 4.1% as compared to the same period last year, continuing a year-long surge. With menu prices in restaurants across the country increasing, consumers dine out less, as

evidenced by the current trends in customer foot traffic. According to the National Restaurant Association, July 2024 represented the 16th consecutive month of declining customer traffic. While consumers are spending less, food is costing restaurants more. Based on preliminary data from the Bureau of Labor Statistics, wholesale food prices rose .5% from June to July 2024, representing the fifth increase in the last six months. As articulated by the National Restaurant Association, "[a]verage wholesale food prices stood 4.3% above their year-ago level in July. That marked the strongest 12-month increase since March 2024. It also means average food prices remain well above pre-pandemic levels." Moreover, certain key items on the Debtors' menus such as the price of chicken wings, an Anthony's staple, is significantly higher year-over-year.

22. BFI acquired Anthony's in 2021 after it completed its de-SPAC transaction. As part of that merger, BFI became a borrower under the Senior Credit Facility, obligating itself to over \$50 million in debt. The fiscal year of 2022 (ending January 2, 2023) marked the first full calendar year including Anthony's operations. As such, BFI's revenues in 2022 increased to approximately \$178.7 million, or by \$109.4 million (189%) as compared to 2021. However, this offset a reported 11% decline in same-store sales for corporate-owned BurgerFi locations in 2022.

23. The Debtors experienced a year-over-year decline in revenues in 2023. BFI's revenues declined by approximately \$8.6 million in comparison to the consolidated results of BurgerFi's and Anthony's for 2022. Both the BurgerFi and Anthony's brands experienced a decline in corporate-owned average sales per restaurant (\$167,201 for 2022 vs. \$160,833 for 2023). BurgerFi related royalty and other fees decreased by approximately \$2.2 million, or 23%, including due to a 6% decrease in franchise restaurant same-store sales. BFI experienced a net loss in both 2022 and 2023, \$103.4 million and \$30.7 million, respectively.

24. BFI's losses continued into 2024. BFI expects to report a decline in restaurant sales of \$1.8 million (or 4%) for the quarter-ending July 2024 as compared to the quarter-ending July 2023 and a net loss of \$18.4 million for the quarter-ending July 2024 (compared to a net loss of \$6 million for the quarter ending July 2023).

25. With declining sales, the Debtors' cash position deteriorated. As of the Petition Date, the Debtors had approximately \$1.6 million on hand. This balance is down from \$7.6 million (in cash and cash equivalents) as of January 1, 2024.

26. The Prior Senior Lenders noticed defaults under the Senior Credit Facility on January 11 and April 2, 2024. Additional existing or anticipated defaults were asserted in connection with the forbearance agreement discussed below. The asserted events of default included, among other items, the Borrowers' failure to make principal and interest payments due under the Senior Credit Facility and to satisfy the minimum liquidity requirements.

27. On or about May 30, 2024, the Borrowers and guarantors under the Senior Credit Facility (collectively, the "Credit Parties") entered into a forbearance agreement with the Senior Lender (the "Forbearance Agreement"). The term of the Forbearance Agreement expired July 31, 2024, and was not extended by the Senior Lender even though it made a Protective Advance on August 8, 2024, to preserve the value of its collateral.

28. Pursuant to the Forbearance Agreement, the Credit Parties agreed to retain an investment banker to market the Credit Parties or their assets, or positions in BFI's debt or equity securities, for sale. As discussed above, the Debtors hired Kroll to run a robust sales process which resulted, as of August 30, 2024, in Kroll contacting 139 potential buyers (57 strategic and 82 financial) beginning on June 17, 2024. Out of those potential buyers, 62 parties (13 strategic and 49 financial) received the CIM. Nine indications of interest were received the week of July 22,

2024, with proposals to acquire Anthony's and BurgerFi as standalone businesses as well as consolidated businesses. Kroll and the management team conducted numerous management meetings and provided access to an electronic data room. The parties that submitted indications of interest were then invited to submit letters of intent in the form of stalking horse bids. Two third-parties submitted letters of intent, one for the BurgerFi business and the other for the Anthony's business.

CURRENT LEADERSHIP

29. As part of their efforts to improve operations, the Debtors have strengthened their leadership. The Debtors' current management team consists of restaurant industry and restructuring veterans. BFI's Board of Directors ("Board") and the Debtors' executives have the unique experience, including in the burger and pizza spaces, needed to understand the Debtors' brands and the challenges they are facing and to aid the Debtors in their efforts to turnaround operations and maximize value. With the extensive experience and insight of their management team, the Debtors are poised to move these Chapter 11 Cases forward to a successful conclusion.

30. In July 2023, BFI retained Carl Bachmann as Chief Executive Officer and Chris Jones as Chief Financial Officer. Prior to joining BFI, Mr. Bachmann served as the President and Chief Executive Officer of Smashburger, a position he held since January 2019. Prior to joining BFI, Mr. Jones was the Chief Executive Officer of Odyssey Marine Exploration, a publicly-traded company. Both Mr. Bachmann and Mr. Jones remain with BFI and are assisting with the efforts discussed herein.

31. The Board is currently comprised of three individuals. David Heidecorn, a senior advisor to L Catterton, is the Chairman of the Board. BFI recently retained two new independent directors, David Gordon and Michael Epstein. Mr. Gordon was appointed to the Board on August 14, 2024, as an independent Class B director. Mr. Epstein was appointed to the Board on August

27, 2024, as an independent Class C director. Messrs. Gordon and Epstein were both appointed to the Audit Committee, Compensation Committee, and Nominating Committee.

32. For purposes of disclosure, Mr. Epstein was a partner at Deloitte while the firm was an advisor to Regions Bank in connection with the potential sale by the Prior Secured Lenders of their interests in the Senior Credit Facility, but Mr. Epstein had no role in that engagement or the sale of the Senior Credit Facility to TREW. Mr. Epstein has longstanding business and personal relationships with Mr. Heidecorn, and they are both passive investors in a textiles business that is not affiliated with the Debtors, TREW or L Catterton. My understanding is that their investments are not material to either of them. Mr. Gordon has served as an independent director for companies where I have served as the Chief Restructuring Officer.

33. With new management at the helm, the Debtors have worked to improve cash flow and margins. Management has evaluated its restaurants across many dimensions, including their locations, proximity to other brand restaurants, lease terms, current and historic store-level operations and capital needs as well as current and historic store-level free cash flow to identify underperforming locations and to right-size the geographic footprint of the businesses so that they are positioned for growth. As a result of this review, 9 BurgerFi restaurants and 9 Anthony's restaurants were closed in August and September 2024. BFI is focused on improving the profitability of each of its remaining restaurants. It was working to retain and gain market share. In addition to the cost savings from closing nonprofitable stores, BFI expects to generate performance improvements at its retained stores and to potentially renegotiate lease terms at certain locations to support strong operations and a desirable tenancy for the landlord for years to come. To further this objective, BFI recently retained Hilco Real Estate, LLC ("HRE"), to assist it in negotiating lease concessions with its landlords.

34. Notwithstanding the hard work of BFI, its management, and advisors, the commencement of these Chapter 11 Cases was necessary. An out-of-court sale was not feasible given the Debtors' liquidity constraints and the need to efficiently address the secured liabilities, their leases, their vendor obligations and BFI's status as a publicly-traded company. As the Debtors' liquidity continued to deteriorate, commencing these Chapter 11 Cases was necessary to preserve the value of the Debtors' assets and maximize its going concern value by preventing landlords from seeking to terminate leases.

35. In light of these factors and the need to take immediate action to preserve value, the Board considered and ultimately authorized the Debtors to seek bankruptcy protection. The Debtors, with the assistance of their advisors, are focused on preserving cash, improving cash flow, and moving these cases forward expeditiously so that the value of these businesses can be maximized for the benefit of the Debtors' estates.

NEED FOR POSTPETITION FINANCING

36. The Debtors' lack the cash to pursue an orderly sale process or confirm a plan of reorganization. The Debtors require new funding to ensure sufficient working capital to operate their businesses, preserve and maximize the value of their estates, administer their estates, and pursue a sale of their assets and a plan of liquidation resolving these cases. The liquidity needs include payments to employees, third-party vendors, landlords, utilities, taxing authorities, and insurance companies, among others, who provide the essential services needed to operate, maintain, and insure the Debtors' assets. Accordingly, the Debtors have sought debtor-in-possession loans from various parties and are in the process of negotiating a postpetition financing facility and the consensual use of cash collateral with TREW in the amount of approximately \$5,000,000 (the "DIP Facility"). I am unaware of any third party willing to provide the Debtors

the financing necessary to continue to operate and to administer these Chapter 11 Case and to do so on terms that are more beneficial to the Debtors and the Estates.

37. Under my oversight, Force 10 worked with the Debtors to prepare a budget for operating and other administrative expenditures during the next several months of these Chapter 11 Cases. We are negotiating with TREW to finalize this budget and file it as part of the upcoming motion to approve the DIP Facility. I am familiar with the budget and its contents. As described therein, the Debtors require approximately \$3,500,000 of new funding during the interim period and \$1,500,000 of additional funding as part of the final DIP Order so that the Debtors can operate their businesses, seek to sell BurgerFi and Anthony's with a closing of the sales in October 2024, and then seek to confirm a liquidating plan. I believe the budget is fair, reasonable, and appropriate under the circumstances. As part of the declaration supporting the motion to approve the DIP Facility I will describe the approved budget in more detail.

38. In my opinion, the currently contemplated DIP Facility, once finalized and authorized by the Court, will provide the Debtors with necessary and sufficient capital to (a) avoid irreparable harm to the Debtors' estates; (b) operate throughout these Chapter 11 Cases; and (c) provide the Debtors with sufficient runway to achieve an accelerated going concern sale then pursue an orderly plan of liquidation. The DIP Facility is needed to assure customers, employees, landlords, and vendors that these Chapter 11 Cases are sufficiently funded and that post-petition expenses can and will be paid. Additionally, the DIP Facility will provide the Debtors with continued access to cash collateral, which relieves the Debtors of the cost of borrowing additional amounts to replace that cash. The DIP Facility is also critical to preserving going concern value and moving these cases toward a successful sale and a liquidating plan.

39. I believe that the DIP Facility ultimately brought before the Court for approval will be the product of good faith, arms'-length, vigorous negotiation among the Debtors and TREW, and their respective counsel and advisors. Without access to additional funding and the continued use of cash collateral as contemplated under the DIP Facility, the Debtors would suffer immediate and irreparable harm, and the Debtors operations would cease and they would be forced to pivot to a liquidation.

THE FIRST DAY MOTIONS

40. Contemporaneously with the filing of this Declaration, the Debtors have filed or will file the First Day Motions to minimize the disruption and adverse effects of the commencement of the Chapter 11 Cases on the Debtors' operations and to preserve value for their estates and all stakeholders.

41. The First Day Motions are:

- a. **Joint Administration.** *Debtors' Motion for Entry of Order Directing Joint Administration of Related Chapter 11 Cases and Granting Related Relief;*
- b. **Creditor Matrix.** *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to File a Consolidated (A) Creditor Matrix; and (B) Top 50 Creditors List; (II) Authorizing Redaction of Certain Personal Identification Information; and (III) Granting Related Relief;*
- c. **Cash Management.** *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, (D) Continue Certain Intercompany Transactions; and (II) Granting Related Relief;*
- d. **PACA/PASA Claims.** *Debtors' Motion For Entry Of Interim And Final Orders Authorizing Payment of Certain Prepetition Section 503(b)(9) PACA and PASA Claims and Granting Related Relief;*
- e. **Utilities.** *Debtors' Motion for Entry of Interim and Final Orders (I) (A) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services to, or Discriminating Against, the Debtors, (B) Approving the Debtors' Proposed Form of Adequate Assurance of Payment for Future*

Utility Services, and (C) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (II) Granting Related Relief;

- f. **Insurance motion.** *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors To (A) Continue Their Insurance Policies and Premium Financing Arrangements and (B) Honor All Obligations with Respect Thereto; and (II) Granting Related Relief;*
- g. **Employee Obligations.** *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing (A) Payment of Prepetition Wages, Employee Benefits Obligations and Other Compensation, (B) Continue Employee Benefits Programs and Payment of Related Administrative Obligations; and (II) Granting Related Relief;*
- h. **Taxes.** *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Payment of Sales, Use, and Other Taxes and Fees, (II) Authorizing Banks and Other Financial Institutions to Receive, Process, and Honor and Pay Checks Issued and Electronic Payment Requests Made Related to Such Taxes and Fees;*
- i. **Claims & Noticing Agent.** *Debtors' Application for Appointment of Stretto as Claims and Noticing Agent;*
- j. **Customer Programs.** *Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to Honor and Continue Certain Customer Programs and Customer Obligations in the Ordinary Course of Business and Granting Related Relief; and*
- k. **Leases.** *Debtors' First Omnibus Motion for Entry of an Order (I) Authorizing (A) Rejection of Certain Unexpired Leases and (B) Abandonment of Certain Personal Property In Connection Therewith, Each Effective as of the Petition Date; and (II) Granting Certain Related Relief (the "Lease Rejection Motion");*

42. The First Day Motions request authority to, among other things, enter into the DIP Financing, honor workforce-related compensation and benefits obligations, pay claims of certain critical vendors, suppliers, and taxing authorities, continue to honor certain customer programs, and continue the Debtors' cash management system and other operations in the ordinary course of business to ensure minimal disruption of the Debtors' business operations during these Chapter 11 Cases. For the avoidance of doubt, the Debtors request authority, but not direction, to incur

indebtedness, pay amounts or satisfy obligations with respect to the relief requested in the First Day Motions.

43. The Lease Rejection Motion requests authority to (a) reject certain Leases (as defined in the Lease Rejection Motion) and (b) abandon certain Personal Property (as defined in the Lease Rejection Motion) with such rejection and abandonment effective as of the Petition Date. Each “Lease” is for corporate office space determined to be burdensome or a restaurant determined to be underperforming or unprofitable. For each of the Leases, the Debtors ceased operations and vacated the premises and gave notice of surrender to the applicable landlord and provided keys or codes, as applicable, prior to the Petition Date. The Debtors have determined that the costs of the Leases outweigh any marginal benefits that could possibly be achieved from assignments or subleases of the Leases (to the extent permitted by the terms thereunder). Moreover, the Debtors have evaluated the “Personal Property” and have determined that (a) it is of inconsequential value or (b) the cost of removing and storing the Personal Property for future use, marketing, or sale exceeds the value of the Personal Property to the Debtors’ estates. Accordingly, and as further detailed in the Lease Rejection Motion, the Debtors believe that the rejection of the Leases and the abandonment of the Personal Property as of the Petition Date is appropriate and in the best interests of the Debtors, their estates, and their creditors.

44. I have reviewed each of the First Day Motions (including the exhibits and schedules attached thereto) listed above, and the facts set forth in the First Day Motions are incorporated herein by reference. To the best of my knowledge, the facts set forth in the First Day Motions are true and correct, and if called upon to testify, I could and would testify competently to such facts.

45. As described in the First Day Motions, I believe that the Debtors' requests for interim relief are narrowly tailored, or where the requested payments would otherwise be entitled

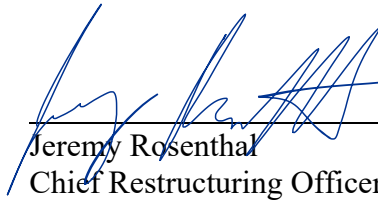
to priority over general unsecured claims under the Bankruptcy Code. It is my opinion that the relief sought in the First Day Motions is essential to avoid irreparable harm and to allow the Debtors to operate without disruptions, as well as to preserve the value of the Debtors' estates, and is in the best interests of the Debtors' estates, creditors and other stakeholders.

CONCLUSION

46. For the reasons described herein and in the First Day Motions, I believe that the relief requested in the First Day Motions should be granted by the Court, with such other and further relief for the Debtors as this Court deems just and proper, in the most expeditious manner possible.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on: September 12, 2024



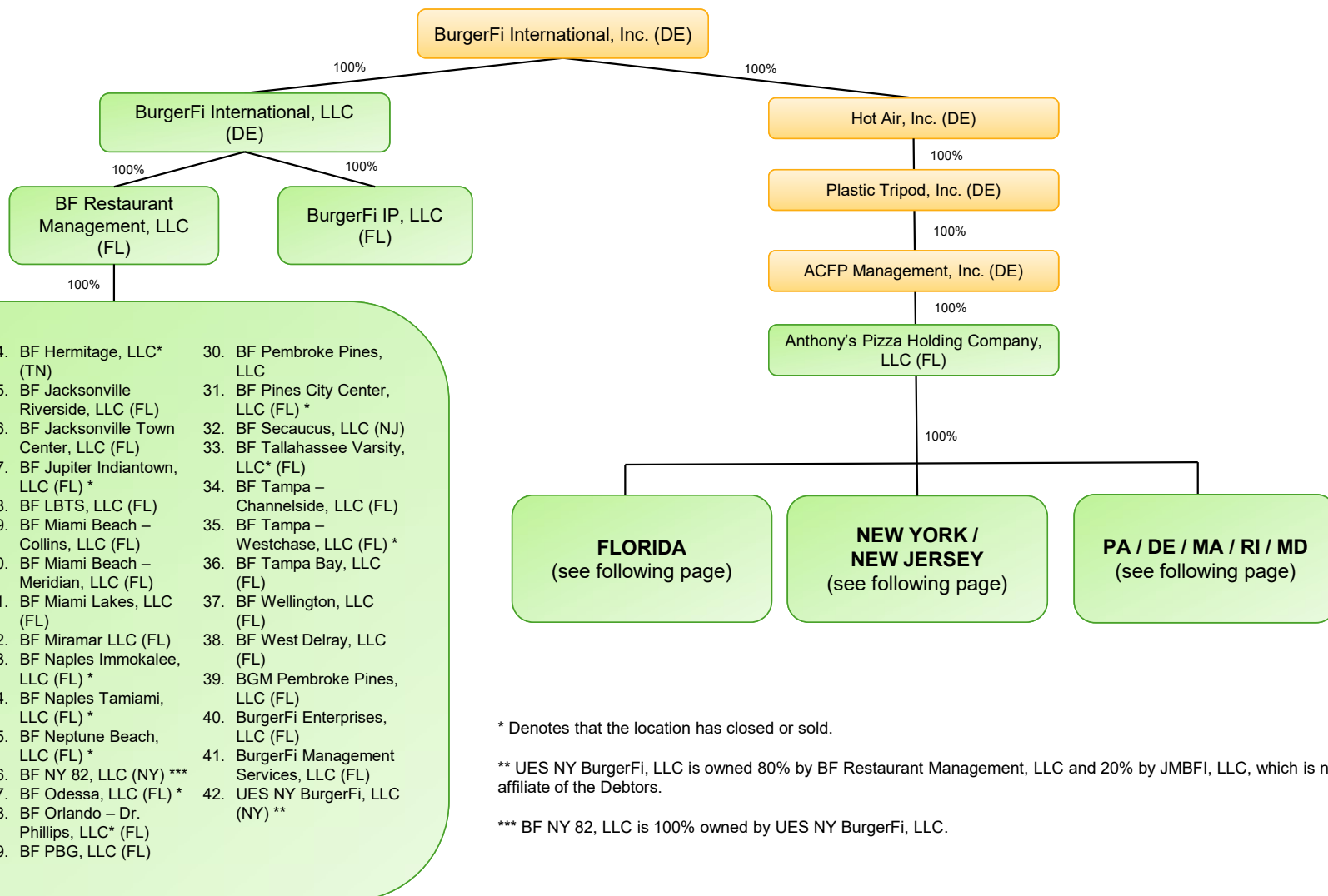
Jeremy Rosenthal
Chief Restructuring Officer of the Debtors

EXHIBIT A

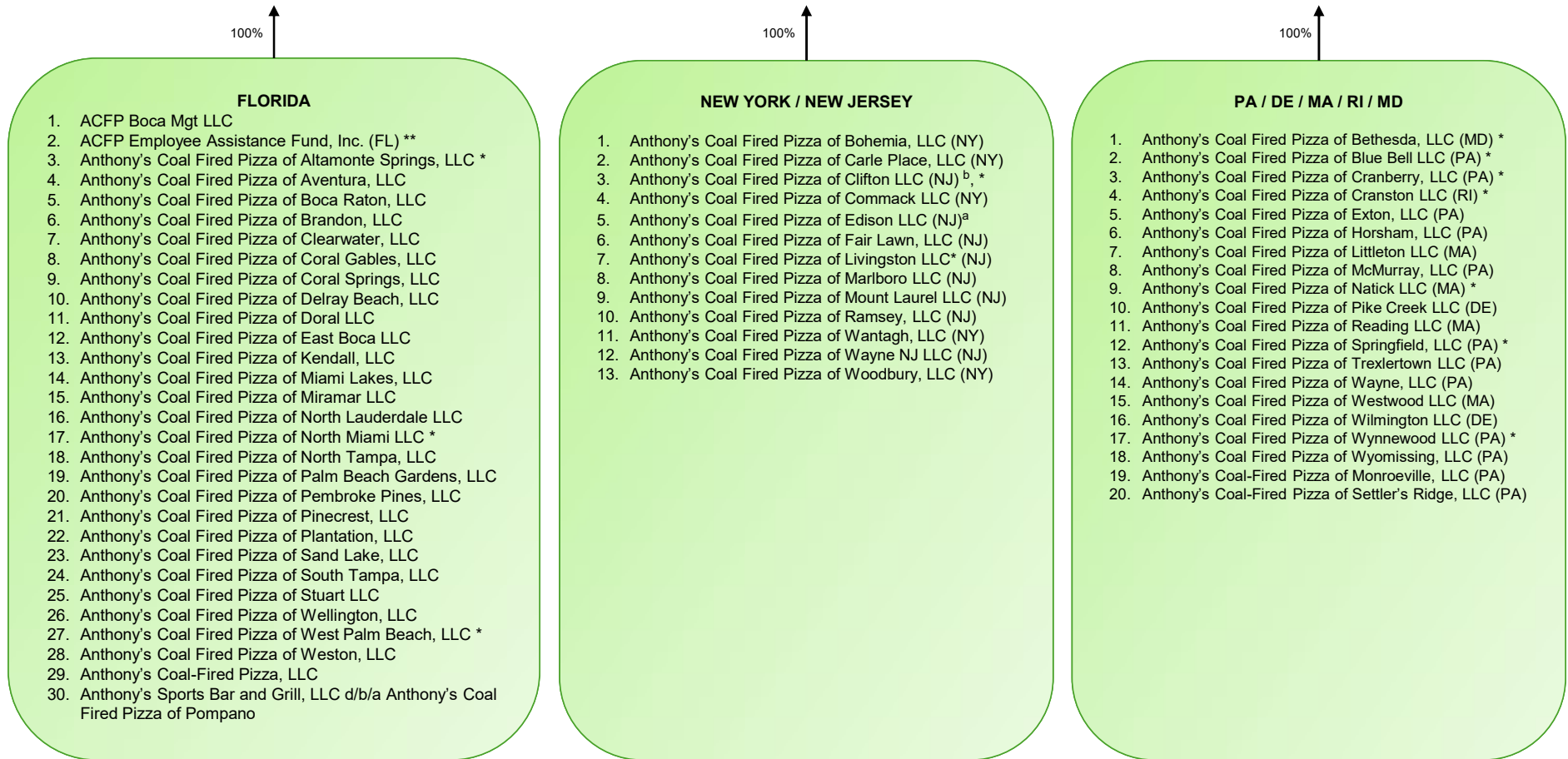
BFI/ACFP Companies – Organizational Chart

09.11.2024

LEGEND:
 C-Corp

 Disregarded LLC


BFI/ACFP Companies – Organizational Chart



^a This entity is 100% owned by ACFP/NYNJ Ventures LLC (FL) (not pictured), which is owned 100% by Anthony's Pizza Holding Company LLC.

^b This entity owns 100% of BH Sauce, LLC (NV) (not pictured).

* Denotes that the location has closed or been sold.

** Denotes a non-Debtor entity.