

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re: Chapter 11
SAILORMEN, INC., Case No. 26-10451-RAM
Debtor.¹

FIRST OMNIBUS MOTION OF THE DEBTOR AND DEBTOR-IN-POSSESSION FOR ENTRY OF AN ORDER (I) AUTHORIZING REJECTION OF UNEXPIRED LEASES, AND (II) SETTING A DEADLINE FOR THE FILING OF REJECTION CLAIMS

Sailormen, Inc., the debtor and debtor-in-possession in the above captioned chapter 11 case (the "Debtor"), moves for the entry of an order, substantially in the form attached hereto as **Exhibit A**, (i) authorizing the Debtor, under section 365(a) of the Bankruptcy Code, to reject the Rejected Leases (as defined herein), effective as of the Petition Date, and (ii) setting the deadline for any non-Debtor party to the Rejected Leases to file any claims for "rejection damages." In support of this Motion, the Debtor respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (O).
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 Sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006.

¹ The Debtor in this Chapter 11 case and the last four digits of its federal tax identification number are Sailormen, Inc. (5214). The location of the Debtor's corporate headquarters and the Debtor's service address in this chapter 11 case is Miami, Florida.

BACKGROUND

I. Introduction.

1. On January 15, 2026 (the “Petition Date”), the Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code (this “Chapter 11 Case”).

2. The Debtor continues to manage and operate its business as a debtor-in- possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No official committee of unsecured creditors has been appointed.

4. No request for a trustee or examiner has been made in this Chapter 11 Case.

4. Information regarding the Debtor’s business, capital structure, and the circumstances leading to the commencement of this Chapter 11 Case is set forth in the Baker Declaration.² Those facts are incorporated herein by reference.

II. The Leases to be Rejected.

5. The Debtor entered into certain lease agreements for the use of commercial property in connection with operating various Popeyes restaurants (the “Restaurants”). After the filing of this case, the Debtor immediately began its restructuring strategy and closed eight (8) restaurant locations on January 19th, five locations (5) on January 20th, and four locations (4) on January 22, 2026. The Debtor believes that the closing of these underperforming locations will reduce the Debtor’s SG&A and restaurant level expenses annually by over \$1.0 million.

6. This Motion seeks to reject, as of the Petition Date, the respective leases for those locations where the Debtor, in its business judgment and in consultation with its professionals, decided to close the Restaurants formerly operated at those properties to preserve the value of the estate for the benefit of the Debtor and its creditors (the “Closed Stores”). A list of the Closed

² See ECF No. 9.

Stores and the leases the Debtor seeks to reject is attached hereto as **Exhibit B** (the “Rejected Leases”). As part of the coordinated closures, the Debtor has started to remove the equipment and other personal property which comprise property of the estate so it can be reallocated or sold.

III. Notice to Counterparties to the Rejected Leases.

7. Pursuant to Bankruptcy Rule 6006(f), counterparties to the Rejected Leases are notified that they should locate their names and leases on the attached Exhibit B, where each Rejected Lease is listed alphabetically by counterparty.

RELIEF REQUESTED

8. By this Motion, the Debtor seeks authority under section 365(a) of the Bankruptcy Code to reject the Rejected Leases, effective as of the Petition Date. The Debtor further asks the Court to set the deadline for any non-Debtor party to the Rejected Leases to file any claims for “rejection damages” within thirty (30) days after entry of the Order authorizing the Debtor to reject the Rejected Leases.

BASIS FOR RELIEF REQUESTED

9. Section 365 of the Bankruptcy Code provides that a debtor-in-possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Rejection under section 365 is generally intended to enable the debtor to relieve itself and the bankruptcy estate from burdensome and unprofitable contracts or unexpired leases in order to preserve and maximize the value of the bankruptcy estate. *Stewart Title Guar. Co. v. Old Republic Nat’l Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1994); *In re Mirant Corp.*, 303 B.R. 319, 330-31 (Bankr. N.D. Tex. 2003) (“There is substantial authority for the proposition that section 365 was intended to allow a trustee or debtor in possession to eliminate burdensome, unprofitable contracts and preserve for the estate’s benefit valuable agreements.”).

10. The decision to assume or reject an executory contract or unexpired lease is a matter within the “business judgment” of the debtor. *Nat’l Labor Relations Bd. v. Bildisco and Bildisco (In re Bildisco)*, 682 F.2d 72, 79 (3d Cir. 1982) (stating that “the usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the ‘business judgement’ test”). The business judgment standard is satisfied when a debtor determines that rejection will benefit the estate. *In re Gardinier, Inc.*, 831 F.2d 974, 975, n. 2 (11th Cir. 1987); *see also Commercial Fin. Ltd. v. Hawaii Dimensions, Inc. (In re Hawaii Dimensions, Inc.)*, 47 B.R. 425, 427 (D. Haw. 1985) (“Under the business judgment test, a court should approve a debtor’s proposed rejection if such rejection will benefit the estate.”) (citation omitted).

11. Courts generally do not second guess a debtor’s business judgment concerning the assumption or rejection of an executory contract or unexpired lease. *See Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc. (In re Richmond Metal Finishers, Inc.)*, 756 F.2d 1043, 1046-47 (4th Cir. 1985), *cert. denied*, 475 U.S. 1057, 104 S. Ct. 1285 (1986), superseded by statute, 11 U.S.C. § 365(n); *In re Colony Beach & Tennis Club Ass’n, Inc.*, No. 8:09-cv-535-T-33, 2010 WL 746708 at *3 (M.D. Fla. Mar. 2, 2010) (“[T]he bankruptcy court may not substitute its own judgment for that of the debtor unless the debtor’s decision is so manifestly unreasonable that it must be based upon bad faith, whim or caprice.”) (citation omitted).

12. Here, the Debtor has satisfied the business judgment standard because each of the Rejected Leases corresponds to a Restaurant location that was unprofitable. Given these circumstances, unless the Rejected Leases are promptly rejected, the continuing post-petition costs of paying for the Closed Stores and the Rejected Leases would undermine the Debtor’s efforts to maximize the value of the Debtor’s estate and would be unnecessary burdens on the Debtor’s estate.

13. The Debtor further asks that the Court deem the Rejected Leases to be rejected as of the Petition Date to ensure that any claims under such Rejected Leases will be treated as unsecured pre-petition claims in accordance with section 365(g)(1) of the Bankruptcy Code. *See Nat'l Labor Relations Bd. v. Bildisco*, 465 U.S. 513, 530 (1984) (stating that rejection relates back to the petition date). The Rejected Leases should be rejected as of the Petition Date because the Debtor closed the Closed Stores within one week of the Petition Date and before the hearing on the Debtor's first day motions. *See* ECF Nos. 10-12. The Debtor does not believe the Rejected Leases provide the basis for a claim for administrative expense priority because the Rejected Leases are a burden rather than a benefit to the estates. *See In re O.P.M. Leasing Services, Inc.*, 56 B.R. 678, 683 (Bankr. S.D.N.Y. 1986).

RESERVATION OF RIGHTS

14. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtor, a waiver of the Debtor's right to dispute any claim, an admission that any claim is of a type specified in this Motion, or a waiver or limitation of the Debtor's rights under the Bankruptcy Code or applicable law. In addition, nothing herein shall be construed to mean that the Debtor has abandoned any estate property in or related to these Restaurant locations.

NOTICE

The Debtor will provide notice of this Motion to: (a) the Office of the United States Trustee for Region 21; (b) the holders of the twenty (20) largest unsecured claims against the Debtor; (c) counsel to Popeyes Louisiana Kitchen, Inc., Paul J. Battista, Esq., Venable, LLC, 801 Brickell Ave., Suite 1500, Miami, FL 33131; (d) counsel to BMO Bank, N.A., as Administrative Agent for the Lenders, Paul S. Singerman, Esq., Berger Singerman LLP, 1450 Brickell Ave., Suite 199, Miami, FL 33131 and Peter P. Knight, Esq., Katten Muchin Rosenman LLP, 525 West Monroe

Street, Chicago, IL 60661-36933; (e) the Internal Revenue Service; (f) the office of the Attorney General for the State of Florida; (g) the Securities and Exchange Commission; (h) the counterparties to the Rejected Leases or, where known, their counsel, and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtor respectfully requests that the Court enter the Proposed Order attached hereto as **Exhibit A**, granting the relief requested herein, and such other and further relief as the Court deems just and proper.

Dated: January 26, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this day, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I further certify that the foregoing document is being served this day on all counsel of record and interested parties identified on the attached Service List via CM/ECF, to those registered to receive Notices of Electronic Filing generated by CM/ECF.

/s/ Luis Salazar

Luis Salazar

SERVICE LIST**Electronic Notice List
(VIA CM/ECF):**

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EXHIBIT A

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re: Chapter 11
SAILORMEN, INC., Case No. 26-10451-RAM
Debtor.¹

**ORDER (I) AUTHORIZING REJECTION OF CERTAIN UNEXPIRED LEASES AND
(II) SETTING A DEADLINE FOR THE FILING OF REJECTION CLAIMS**

Upon consideration of the motion (the “Motion”)² of the Debtor for entry of an order authorizing rejection of certain unexpired leases and setting a deadline by which counterparties to the Rejected Leases must file claims for rejection damages; and upon consideration of all pleadings related thereto, including the Baker Declaration; and it appearing that the Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this is a

¹ The Debtor in this Chapter 11 case and the last four digits of its federal tax identification number are Sailormen, Inc. (5214). The location of the Debtor’s corporate headquarters and the Debtor’s service address in this chapter 11 case is Miami, Florida.

² All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate, and its creditors; and after due deliberation and good and sufficient cause appearing therefor;

IT IS ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is **GRANTED**.
2. The Debtor's proposed rejection of the Rejected Leases on **Exhibit B** to the Motion is approved, effective as of the Petition Date.
3. Any claim for damages on account of the rejection of the Rejected Leases shall be filed within thirty (30) days of the date of this Order.
4. The Debtor is authorized to take all necessary actions to effectuate the relief granted pursuant to this Order in accordance with the Motion.
5. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

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Submitted by:

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Luis Salazar, Esq. is directed to serve copies of this Order upon all interested parties and to file a certificate of service with the Court.

EXHIBIT B**SCHEDULE OF REJECTED LEASES**

Store Number	Store Address	Lessor
927	3319 Altama Avenue Brunswick, GA 31520	3319 Altama, LLC
13697	2005 Ohio Avenue North Live Oak, FL 32064	CWH Venice, LLC
14717	2015 North Wickham Road Melbourne, FL 32935	Egan Family Trust, LP
2213	1833 Kings Road Jacksonville, FL 32209	Fairy Properties Group LLC
14373	200 Green Way Keystone Heights, FL 32656	Hollis Street Trust
13407	812 South 6 th Street Macclenny, FL 32063	Klug Family LLC
13661	27740 US 27 Leesburg, FL 34748	Make An Impact, LLC
13777	1124 N. Young Boulevard Chiefland, FL 32626	North Atlantic 1710, LLC
1194	649 S. McDuff Avenue Jacksonville, FL 32205	Popeyes Jacksonville Sailormen, LLC
12679	175 South Highway 17 East Palatka, FL 32131	R Florida Crescent, LLC
14228	2729 S.E. Highway 70 Arcadia, FL 34266	Schefsky Family Revocable Trust
13207	68 West Coffee Street Hazlehurst, GA 31539	SJCZ Limited c/o Steven Deutch MD
2224	1601 South US Highway 1 Ft. Pierce, FL 34950	STORE SPE Chancellor 2021-3, LLC
4962	5156 S. Dale Mabry Highway Tampa, FL 33611	STORE SPE Chancellor 2021-3, LLC
13457	401 N. 1st Street Jesup, GA 31545	Strong to the Finish LLC
11927	2106 Memorial Drive Waycross, GA 31501	The Ivancovich Family Recovable Trust dated April 5, 2011
13533	1610 S. Georgia Parkway West Waycross, GA 31503	Waycross Investments, LLC