

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1**

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In re:

CBRM Realty Inc. *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-15343 (MBK)  
(Joint Administration Requested)

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: CBRM Realty Inc. (2420), Crown Capital Holdings LLC (1411), Kelly Hamilton Apts LLC (1115), Kelly Hamilton Apts MM LLC (0765), RH Chenault Creek LLC (8987), RH Copper Creek LLC (0874), RH Lakewind East LLC (6963), RH Windrun LLC (0122), RH New Orleans Holdings LLC (7528), and RH New Orleans Holdings MM LLC (1951). The location of the Debtors' service address in these chapter 11 cases is: In re CBRM Realty Inc., et al., c/o White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020.



**DEBTORS' MOTION FOR ENTRY OF ORDER  
AUTHORIZING THE DEBTORS TO CONTINUE THEIR PREPETITION  
BUSINESS OPERATIONS, POLICIES, AND PRACTICES AND PAY RELATED  
CLAIMS IN THE ORDINARY COURSE OF BUSINESS ON A POSTPETITION BASIS**

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The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) respectfully state as follows in support of this motion:

**Relief Requested**

1. The Debtors seek entry of orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “**Interim Order**” and “**Final Order**,” respectively), authorizing the Debtors to pay certain specified prepetition claims related to the Debtors’ employee wages, taxes and fees, independent fiduciary fees, insurance obligations, vendor obligations, and tenant reimbursements, on a postpetition basis, in the ordinary course of business. In addition, the Debtors request that the Court schedule a final hearing within approximately 21 days of the commencement of these chapter 11 cases to consider entry of the Final Order.

**Jurisdiction and Venue**

2. The United States Bankruptcy Court for the District of New Jersey (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11 of the United States District Court for the District of New Jersey*, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.). This matter is a core proceeding under 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court.

3. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The predicates for the relief requested herein are sections 105(a), 363(b), 507(a)(4)-(5), 507(a)(8), 541(b)(1), and 541(d) of the Bankruptcy Code, rules 2002, 6003 and 6004 of the

Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 9013-1 and 9013-5 of the Local Bankruptcy Rules for the District of New Jersey (the “**Local Rules**”).

### **Background**

5. On May 19, 2025 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code commencing the above-captioned chapter 11 cases. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors are requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committees have been appointed or designated.

### **Specified Claims**

6. The Debtors are part of a larger real estate portfolio indirectly owned by CBRM Realty Inc. (the “**Crown Capital Portfolio**”). In the ordinary course of business, the Debtors incur numerous fixed, liquidated, and undisputed obligations (collectively, the “**Specified Claims**”) to a variety of creditors, including employees, vendors, governmental authorities, insurance providers, and tenants (collectively, the “**Specified Claimants**”). As further described below, the Specified Claims fall into two principal categories: Operational Claims and Employee Compensation Claims (each defined below).

7. The Debtors filed these chapter 11 cases on an expedited basis in light of numerous challenges, including a critical lack of funding necessary to preserve the health and safety of the Debtors’ affordable housing projects in Pennsylvania and Louisiana and challenges raising capital due to the fact that the Debtors’ ultimate equity owner, Mark (Moshe) Silber, was recently sentenced to prison for his role in defrauding the federal government in connection with an

affordable housing project unrelated to these chapter 11 cases. The Debtors' restructuring efforts are dependent on their ability to preserve relationships with their Specified Claimants as well as minimize business disruptions during the course of these bankruptcy cases. Additionally, certain of the Debtors' Specified Claimants include tenants who are entitled to reimbursement payments and who may not be familiar with the U.S. bankruptcy system and, therefore, may engage in potential self-help remedies, including the withholding of rent, absent approval of the requested relief.

8. Accordingly, authorizing the Debtors to pay undisputed prepetition Specified Claims of the Specified Claimants as such claims become due and payable in the ordinary course of business will minimize any disruption to the Debtors' business and allow for a smooth transition into and expeditious exit from chapter 11.

#### **I. Operational Claims**

9. The Debtors incur a variety of obligations in the ordinary course of business, including expenses related to taxes and fees, vendor payments, and insurance necessary to maintain smooth operations and ensure that each of their properties has sufficient resources, with the goal of ensuring that residents have safe, clean homes to live in (collectively, the "**Operational Claims**"). The following table summarizes the Operational Claims that the Debtors estimate are accrued but unpaid as of the Petition Date.

<b>Category</b>	<b>Description of Operational Claim</b>	<b>Estimated Amount Outstanding as of the Petition Date</b>
Taxes and Fees	Property taxes and various other governmental taxes, fees, and assessments.	\$1,100,000

Category	Description of Operational Claim	Estimated Amount Outstanding as of the Petition Date
Vendor Claims	Claims related to the supply of goods or services, including maintenance supplies, management reimbursements, office supplies, property technology services, pest control, security, and maintenance services.	\$790,000
Insurance Obligations	Insurance policies administered by several third-party insurance carriers providing coverage for, among other things, property liability, general liability, and general risk.	\$150,000
Tenant Reimbursements	Claims related to property-related expenses that are initially billed to and paid by a tenant and subsequently reimbursed.	\$33,000
<b>Total Estimated Amount</b>		<b>\$2,073,000</b>

10. The Debtors seek to pay the Taxes and Fees, Vendor Claims, Insurance Obligations, and Tenant Reimbursements in the ordinary course of business, on a postpetition basis.

## II. Employee Compensation Claims and Independent Fiduciary Fees

11. The Debtors directly or indirectly employ certain employees or independent contractors to provide a wide variety of functions critical to management of the Debtors' properties in Pennsylvania and Louisiana (collectively, the "**Employees**"). As of the Petition Date, the Employees were owed approximately \$60,000 in accrued but unpaid wages, as well as certain accrued but unpaid amounts on account of ordinary course benefits and related amounts (collectively, the "**Employee Compensation Claims**").

12. Additionally, on September 26, 2024, the Debtors' independent fiduciary (the "**Independent Fiduciary**") was appointed as the sole manager of Debtors CBRM Realty Inc.

and Crown Capital Holdings LLC, which Debtors subsequently appointed the Independent Fiduciary as the sole director or manager, as applicable, of the other Debtors and certain non-Debtor affiliates owned or controlled by the Debtors. The Independent Fiduciary was appointed as the Debtors' sole fiduciary in conjunction with the execution of a forbearance agreement entered into between certain Debtors, Mr. Silber, and certain holders of notes issued by Crown Capital Holdings LLC. In connection with the Debtors' entry into the forbearance agreement, the Independent Fiduciary entered into an engagement letter, under which the Independent Fiduciary is entitled to cash compensation of \$60,000 per month, payable in advance. Due to the Debtors' liquidity challenges, the Debtors did not have sufficient funding to pay the Independent Fiduciary's fiduciary fees in full in cash prior to the commencement of these chapter 11 cases and the Independent Fiduciary is presently owed approximately \$480,000 in unpaid fiduciary fees as of the Petition Date. In conjunction with the commencement of these chapter 11 cases, the Independent Fiduciary agreed to reduce her compensation following the Petition Date to \$50,000 per month and to waive \$230,000 of her accrued but unpaid fiduciary fees as of the Petition Date. Accordingly, as of the Petition Date, the Independent Fiduciary is entitled to accrued but unpaid fiduciary fees of \$250,000 (the "**Independent Fiduciary Fees**").

13. To maintain stability at the Debtors' properties during the administration of these chapter 11 cases and ensure that the Independent Fiduciary continues to skillfully provide fiduciary oversight of the Crown Capital Portfolio, the Debtors request authority to pay the Employee Compensation Claims on a postpetition basis in the ordinary course of business and the Independent Fiduciary Fees upon entry of the Final Order.

14. Absent further order of the Court, the Debtors shall *not*: (a) make any non-ordinary course bonus, retention, incentive, or severance payments to any Employee that is an "insider" (as

such term is defined in section 101(31) of the Bankruptcy Code); (b) satisfy any Employee Compensation Claim payable to any individual Employee that exceeds the statutory cap of \$17,150 set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, in each case, without further order of the Court; and/or (c) satisfy any Employee Compensation Claims with respect to reimbursable expenses of insider Employees.

### **Basis for Relief**

#### **I. The Court Should Authorize the Payment of the Specified Claims Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code**

15. Courts have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 825–26 (D. Del. 1999); *see also In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002); *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175–76 (Bankr. S.D.N.Y. 1989); *Armstrong World Indus., Inc. v. James A. Phillips, Inc. (In re James A. Phillips, Inc.)*, 29 B.R. 391, 398 (S.D.N.Y. 1983). In so doing, these courts acknowledge that several legal theories rooted in sections 105(a) and 363(b) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

16. Section 363(b) of the Bankruptcy Code permits a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “In determining whether to authorize the use, sale or lease of property of the estate under this section, courts require the debtor to show that a sound business purpose justifies such actions.” *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *see also Armstrong World*, 29 B.R. at 397 (relying on section 363 to allow contractor to pay prepetition claims of suppliers who were potential lien claimants because the payments were

necessary for general contractors to release funds owed to debtors); *Ionosphere Clubs*, 98 B.R. at 175 (finding that a sound business justification existed to justify payment of certain prepetition wages); *In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987) (requiring the debtor to show a “good business reason” for a proposed transaction under section 363(b)).

17. Courts also authorize payment of prepetition claims in appropriate circumstances based on section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code codifies a bankruptcy court’s inherent equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Under section 105(a), courts may authorize pre-plan payments of prepetition obligations when essential to the continued operation of a debtor’s businesses. *See In re Just for Feet*, 242 B.R. at 825–26. Specifically, a court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of prepetition obligations pursuant to the “necessity of payment” rule (also referred to as the “doctrine of necessity”). *See, e.g., In re Ionosphere Clubs*, 98 B.R. at 176; *In re Lehigh & New England Ry Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (stating that courts may authorize payment of prepetition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”); *see also In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (noting that, in the Third Circuit, debtors may pay prepetition claims that are essential to the continued operation of the business). A bankruptcy court’s use of its equitable powers to “authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” *In re Ionosphere Clubs*, 98 B.R. at 175–76 (citing *Miltenberger v. Logansport, C. & S.W. Ry. Co.*, 106 U.S. 286 (1882)). Indeed, at least one court has recognized that there are instances when a debtor’s fiduciary duty



can “only be fulfilled by the preplan satisfaction of a prepetition claim.” *In re CoServ*, 273 B.R. at 497.

18. The relief requested herein is appropriate and warranted under the circumstances. The authority to satisfy the Specified Claims in the initial days of these cases without disrupting the Debtors’ operations will maintain the integrity of the Debtors’ operations, facilitate the Debtors’ rent collection, and allow the Debtors to efficiently administer these chapter 11 cases. Failure to pay the Specified Claims could potentially destroy value that would otherwise inure to the benefit of the Debtors’ estates.

19. Where, as here, debtors have shown that the payment of prepetition claims is critical to maximize the value of their estates, courts in this district and other jurisdictions have authorized payments to creditors such as the Specified Claimants on account of prepetition claims. *See, e.g., In re Careismatic Brands, LLC*, No. 24-10561 (VFP) (Bankr. D.N.J. Jan. 24, 2024) (authorizing the debtors to pay prepetition vendor claims); *In re Rite Aid Corporation*, No. 23-18993 (MBK) (Bankr. D.N.J. Dec. 20, 2023) (same); *In re WeWork Inc.*, No. 23-19865 (JKS) (Bankr. D.N.J. Dec. 6, 2023) (authorizing debtors to continue employee compensation programs and pay certain prepetition obligations related thereto); *In re Cyxtera Tech., Inc.*, No. 23-14853 (JKS) (Bankr. D.N.J. June 29, 2023) (same); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (Bankr. D.N.J. May 18, 2023) (same); *In re Careismatic Brands, LLC*, No. 24-10561 (VFP) (Bankr. D.N.J. Jan. 24, 2024) (authorizing the debtors to pay prepetition taxes and fees in the ordinary course of business and to conduct tax planning activities on an interim basis); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. Apr. 4, 2024) (same); *In re Rite Aid Corporation*, No. 23-18993 (MBK) (Bankr. D.N.J. Nov. 20, 2023) (authorizing the debtors to continue their insurance

obligations on an interim basis); *In re Invitae Corp.*, No. 24-1362 (MBK) (Bankr. D.N.J. Mar. 18, 2024) (same).<sup>2</sup>

20. Allowing the Debtors to pay the Specified Claims is especially appropriate where, as here, doing so is consistent with the “two recognized policies” of chapter 11 of the Bankruptcy Code—preserving going concern value and maximizing the value of property available to satisfy creditors. *See Bank of Am. Nat’l Trust Savs. Ass’n v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 453 (1999). Based on these circumstances, the Debtors submit that the relief requested herein represents a sound exercise of the Debtors’ business judgment, is necessary to avoid immediate and irreparable harm to the Debtors’ estates and is therefore justified under sections 105(a) and 363(b) of the Bankruptcy Code.

## **II. Certain Employee Compensation Claims and Operational Claims May Be Entitled to Priority Treatment**

21. Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code entitle certain Employee Compensation Claims to priority treatment. As priority claims, the Bankruptcy Code generally requires that the Debtors pay these claims in full to confirm a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(9)(B) (requiring payment of certain allowed unsecured claims, given priority under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, for: (a) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual; and (b) contributions to an employee benefit plan). Courts have authorized early payment of priority claims when such early payment is intended to prevent some harm or to procure some benefit for the estate. *See, e.g., In re Lehigh & N. Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding courts may authorize payment of prepetition claims under the “necessity of payment” doctrine when there “is

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<sup>2</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 possibility that the creditor will employ an immediate economic sanction, failing such payment”). To the extent that an Employee receives no more than \$17,150 on account of claims entitled to priority, the relief sought with respect to Employee Compensation Claims only affects the timing of payments to Employees and does not have any material negative impact on recoveries for Specified Claimants.

22. Section 507(a)(8) provides that claims on account of certain Taxes and Fees may be priority claims entitled to payment before general unsecured claims. *See* 11 U.S.C. § 507(a)(8) (describing taxes entitled to priority treatment). To the extent that such amounts are entitled to priority treatment under the Bankruptcy Code, the respective taxing authorities may attempt to assess interest and penalties if such amounts are not paid. *See* 11 U.S.C. § 507(a)(8)(G) (granting priority status to “a penalty related to a claim of a kind specified in this paragraph and in compensation for actual pecuniary loss”). Claims entitled to priority status pursuant to section 507(a)(8) of the Bankruptcy Code must be paid in full under a confirmable plan pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Therefore, payment of certain Taxes and Fees at this time only affects the timing of the payment for the amounts at issue and will not unduly prejudice the rights and recoveries of junior creditors.

### **III. Payment of Certain Employee Compensation Claims Is Required by Law**

23. The Debtors seek authority to pay Employee Compensation Claims with respect to withholding obligations and withholding taxes to the appropriate third-party payees. These amounts principally represent Employee earnings that governments, Employees, and/or judicial authorities have designated for deduction from certain applicable Employee compensation. As such, the Employee Compensation Claims with respect to withholding obligations and the withholding taxes are not property of the Debtors’ estates because the Debtors have withheld such

amounts on another party's behalf. *See* 11 U.S.C. § 541(b)(1), (d). Further, applicable law requires the Debtors to withhold certain tax payments from the Employee compensation and to pay such amounts to the appropriate taxing authority. *See, e.g.,* 26 U.S.C. §§ 6672, 7501(a); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95–97 (3d Cir. 1994) (finding that state law requiring a corporate debtor to withhold city income tax from its employees' wages created a trust relationship between debtor and the city for payment of withheld income taxes); *In re DuCharmes & Co.*, 852 F.2d 194, 196 (6th Cir. 1988) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the withholding obligations and the withholding taxes held by the Debtors may not be property of the Debtors' estates, the Debtors request authorization to transmit any such amounts to the proper parties in the ordinary course of business. *See In re Dameron*, 155 F.3d 718, 721 (4th Cir. 1998).

#### **IV. Payment of Certain Operational Claims Is Authorized by the Bankruptcy Code**

24. Further, section 1112(b)(4)(C) of the Bankruptcy Code provides that “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C). In addition, in many instances, the coverage provided in connection with the Insurance Obligations is required by the regulations, laws, and contracts that govern the Debtors' commercial activities, including the U.S. Trustee Guidelines. Accordingly, the Debtors believe it is essential to their estates, and consistent with the Bankruptcy Code and the U.S. Trustee Guidelines, that they continue to satisfy all obligations related to the Insurance Policies and have the authority to supplement, amend, extend, renew, or replace their Insurance Policies as needed, in their judgment, without further order of the Court.

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

25. The Debtors will have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of anticipated access to postpetition debtor-in-possession financing. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to any authorized payment in respect of the relief requested herein. 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 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.

**The Requirements of Bankruptcy Rule 6003(b) Are Satisfied**

26. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one (21) days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003. As set forth in this motion, the Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 to support the relief requested herein.

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

27. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen (14) day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**Waiver of Memorandum of Law**

28. The Debtors respectfully request that the Court waive the requirement to file a separate memorandum of law pursuant to Local Rule 9013-1(a)(3) because the legal basis upon which the Debtors rely is set forth herein and the motion does not raise any novel issues of law.

**No Prior Request**

29. No prior request for the relief sought in this motion has been made to this or any other court.

**Reservation of Rights**

30. Nothing contained in this motion or any order granting the relief requested in this motion, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this motion or any order granting the relief requested by this motion except as otherwise set forth in the motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

**Notice**

31. The Debtors will provide notice of this motion to the following parties and/or their respective counsel, as applicable: (a) the office of the United States Trustee for the District of New Jersey; (b) the DIP Lender; (c) Lynd Living; (d) the Ad Hoc Group of Holders of Crown Capital Notes; (e) the United States Attorney's Office for the District of New Jersey; (f) the Internal Revenue Service; (g) the attorneys general in the states where the Debtors conduct their business operations; (h) the U.S. Department of Housing and Urban Development; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors request that the Court enter the Interim and Final Orders, substantially in the forms submitted herewith, granting the relief requested in this motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: May 23, 2025

Respectfully submitted,

/s/ Andrew Zatz

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**EXHIBIT A**

**Proposed Interim Order**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
**Caption in Compliance with D.N.J. LBR 9004-1**

In re:

CBRM REALTY INC. *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-15343

(Joint Administration Requested)

**INTERIM ORDER AUTHORIZING THE  
DEBTORS TO CONTINUE THEIR PREPETITION  
BUSINESS OPERATIONS, POLICIES, AND PRACTICES AND PAY RELATED  
CLAIMS IN THE ORDINARY COURSE OF BUSINESS ON A POSTPETITION BASIS**

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The relief set forth on the following pages, numbered 2 through 6, is hereby **ORDERED**.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: CBRM Realty Inc. (2420), Crown Capital Holdings LLC (1411), Kelly Hamilton Apts LLC (1115), Kelly Hamilton Apts MM LLC (0765), RH Chenault Creek LLC (8987), RH Copper Creek LLC (0874), RH Lakewind East LLC (6963), RH Windrun LLC (0122), RH New Orleans Holdings LLC (7528), and RH New Orleans Holdings MM LLC (1951). The location of the Debtors' service address in these chapter 11 cases is: In re CBRM Realty Inc., et al., c/o White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

Caption of Order: INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE  
THEIR PREPETITION BUSINESS OPERATIONS, POLICIES, AND  
PRACTICES AND PAY RELATED CLAIMS IN THE ORDINARY  
COURSE OF BUSINESS ON A POSTPETITION BASIS

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Upon the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) for entry of an order (this “**Interim Order**”) authorizing the Debtors to the continue their prepetition business operations, policies, and programs and to pay Specified Claims, on a postpetition basis in the ordinary course of business, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.) and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); 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 was appropriate under the circumstances and no other notice need be provided; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the 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.

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

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

Caption of Order: INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE  
THEIR PREPETITION BUSINESS OPERATIONS, POLICIES, AND  
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2. The final hearing (the “**Final Hearing**”) on the Motion shall be held on \_\_\_\_\_, **2025, at \_\_: \_\_ .m., prevailing Eastern Time.** 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 \_\_\_\_\_, 2025.** If no objections are filed to the Motion, this Court may enter an order approving the relief requested in the Motion on a final basis without further notice or hearing.

3. The Debtors are authorized, in their sole discretion, to, on an interim basis, continue their prepetition business operations, policies, and programs and pay, without acceleration of any existing payment terms, any accrued but unpaid prepetition Specified Claims, on a postpetition basis in the ordinary course of business; *provided* that absent further order of the Court, the Debtors shall ***not***: (a) make any non-ordinary course bonus, retention, incentive, or severance payments to any Employee that is an “insider” (as such term is defined in section 101(31) of the Bankruptcy Code); (b) satisfy any Employee Compensation Claim payable to any individual Employee that exceeds the statutory cap of \$17,150 set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, in each case, without further order of the Court; and/or (c) satisfy any Employee Compensation Claims with respect to reimbursable expenses of insider Employees.

4. The Debtors are authorized to pay the Taxes and Fees, Vendor Claims, Insurance Obligations, and Tenant Reimbursements in the ordinary course of business, on a postpetition basis.

5. The Debtors are authorized to pay the Employee Compensation Claims in the ordinary course of business, on a postpetition basis.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

Caption of Order: INTERIM ORDER AUTHORIZING THE DEBTORS TO CONTINUE  
THEIR PREPETITION BUSINESS OPERATIONS, POLICIES, AND  
PRACTICES AND PAY RELATED CLAIMS IN THE ORDINARY  
COURSE OF BUSINESS ON A POSTPETITION BASIS

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6. Nothing contained in the Motion or this Interim Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Interim Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in the Motion or this Interim Order except as otherwise provided for in this Interim Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

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 Interim Order.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

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8. The Debtors are authorized, on an interim basis, 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 of the Specified Claims.

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

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

11. The Debtors and the Independent Fiduciary are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

12. Any relief granted to the Debtors pursuant to this Interim Order shall mean the Debtors, acting at the direction of the Independent Fiduciary.

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and Local Rules are satisfied by such notice.

14. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

15. The Debtors shall serve by regular mail or email a copy of this Interim Order and the Motion on all parties required to receive such service pursuant to Local Rule 9013-5(f) within two (2) business days after the entry of this Interim Order.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

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16. Any party may move for modification of this Interim Order in accordance with  
Local Rule 9013-5(e).

17. 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**



UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY  
**Caption in Compliance with D.N.J. LBR 9004-1**

In re:

CBRM REALTY INC. *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-15343

(Joint Administration Requested)

**FINAL ORDER AUTHORIZING THE  
DEBTORS TO CONTINUE THEIR PREPETITION  
BUSINESS OPERATIONS, POLICIES, AND PRACTICES AND PAY RELATED  
CLAIMS IN THE ORDINARY COURSE OF BUSINESS ON A POSTPETITION BASIS**

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The relief set forth on the following pages, numbered 2 through 5, is hereby **ORDERED**.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: CBRM Realty Inc. (2420), Crown Capital Holdings LLC (1411), Kelly Hamilton Apts LLC (1115), Kelly Hamilton Apts MM LLC (0765), RH Chenault Creek LLC (8987), RH Copper Creek LLC (0874), RH Lakewind East LLC (6963), RH Windrun LLC (0122), RH New Orleans Holdings LLC (7528), and RH New Orleans Holdings MM LLC (1951). The location of the Debtors' service address in these chapter 11 cases is: In re CBRM Realty Inc., et al., c/o White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

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COURSE OF BUSINESS ON A POSTPETITION BASIS

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Upon the motion (the “**Motion**”)<sup>1</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of a final order (this “**Final Order**”) authorizing the Debtors to pay Specified Claims, on a postpetition basis in the ordinary course of business, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.) and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); 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 was 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; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the 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, in their sole discretion, to, on a final basis, continue their prepetition business operations, policies, and programs and pay, without acceleration of any

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

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existing payment terms, any accrued but unpaid prepetition Specified Claims, on a postpetition basis in the ordinary course of business; *provided* that absent further order of the Court, the Debtors shall **not**: (a) make any non-ordinary course bonus, retention, incentive, or severance payments to any Employee that is an “insider” (as such term is defined in section 101(31) of the Bankruptcy Code); (b) satisfy any Employee Compensation Claim payable to any individual Employee that exceeds the statutory cap of \$17,150 set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, in each case, without further order of the Court; and/or (c) satisfy any Employee Compensation Claims with respect to reimbursable expenses of insider Employees.

3. The Debtors are authorized to pay the Taxes and Fees, Vendor Claims, Insurance Obligations, and Tenant Reimbursements in the ordinary course of business, on a postpetition basis.

4. The Debtors are authorized to pay the Employee Compensation Claims in the ordinary course of business, on a postpetition basis.

5. The Debtors are authorized to pay the Independent Fiduciary Fees.

6. Nothing contained in the Motion or this Final Order, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with this Final Order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors’ or any other party in interest’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission or finding that any particular claim is an administrative expense claim,

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Debtors: CBRM REALTY INC., *et al.*

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other priority claim or otherwise of a type specified or defined in the Motion or this Final Order except as otherwise provided for in this Final Order; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

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, on a final basis, 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 of the Specified Claims.

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

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Debtors: CBRM REALTY INC., *et al.*

Case No. 25-15343

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10. The Debtors and the Independent Fiduciary are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

11. Any relief granted to the Debtors pursuant to this Final Order shall mean the Debtors, acting at the direction of the Independent Fiduciary.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Rules and Local Rules are satisfied by such notice.

13. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

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