

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
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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.¹

Chapter 11

Case No. 25–15343 (MBK)

(Jointly Administered)

Re: Docket Nos. 246, 247 and 283

**OBJECTION OF SPANO INVESTOR LLC TO (A) DEBTORS' MOTION FOR
ENTRY OF AN ORDER (I) CONDITIONALLY APPROVING THE ADEQUACY
OF THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT,**

¹ 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.



(II) APPROVING THE SOLICITATION AND VOTING PROCEDURES WITH RESPECT TO CONFIRMATION OF THE PLAN, (III) APPROVING THE FORM OF BALLOTS AND NOTICES IN CONNECTION THEREWITH, (IV) SCHEDULING CERTAIN DATES WITH RESPECT THERETO, AND (V) GRANTING RELATED RELIEF, AND (B) CONFIRMATION OF THE PLAN

Spano Investor LLC ("Spano"), by and through its undersigned counsel, hereby submits this limited objection (the "Objection") to (a) the *Debtors' Motion for Entry of an Order (I) Conditionally Approving the Adequacy of the Information Contained in the Disclosure Statement, (II) Approving the Solicitation and Voting Procedures With Respect to Confirmation of the Plan, (III) Approving the Form of Ballots and Notices in Connection Therewith, (IV) Scheduling Certain Dates With Respect Thereto, and (V) Granting Related Relief* [Docket No. 283] (the "DS Motion"),² and (b) confirmation of the proposed *Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of its Debtor Affiliates* [Docket No. 246] (the "Plan"), and respectfully states as follows.

BACKGROUND

A. The CBRM Judgment and Spano Claim

1. On September 5, 2024, Acquiom Agency Services LLC ("Acquiom"), in its capacity as administrative agent and collateral agent for certain loans made by funds affiliated with UBS Asset Management (Americas) LLC to Moshe Silber a/k/a Mark Silber ("Silber")³ that were guaranteed by CBRM Realty, Inc. ("CBRM") and various other entities associated with Silber, obtained a judgment (the "CBRM Judgment") in the amount of \$21,020,452.60 against CBRM and certain other defendants in an action captioned *Acquiom Agency Services LLC v. Fox*

² Capitalized terms not defined in this Objection have the meanings ascribed to such terms in the DS Motion or the Plan, as applicable.

³ Silber is the ultimate equity holder of each of the Debtors.

Capital LLC, et al., Index No. 652265/2024, Supreme Court of the State of New York, County of New York.

2. On or about September 9, 2024, Acquiom assigned the CBRM Judgment to Spano, a special purpose entity formed by the Lender, through an Assignment of Judgment.

3. In order to enforce the CBRM Judgment, counsel for Spano delivered a property execution (the “Property Execution”) to The Sheriff of Rockland County, New York (the “Sheriff”), dated December 13, 2024, directing the Sheriff to satisfy the CBRM Judgment out of the real and personal property of CBRM, including all of CBRM’s right, title and interest as a member of certain limited liability companies, as follows: (a) its 100% ownership interest in Crown Capital Holdings LLC (“Crown”), a Debtor in these cases, and (b) its ownership interests in 100 Phillips Parkway LLC, JM Realty Advisory LLC, and Carriage House Apts LLC ((a) and (b), collectively, the “LLCs”).⁴

4. By virtue of the delivery of the Property Execution to the Sheriff, Spano acquired a perfected lien on all of CBRM’s personal property located within the territorial jurisdiction of the Sheriff. *See* CPLR §§ 5202(a), 5230 and 5232(a); Weinstein-Korn-Miller, New York Civil Practice ¶ 5202.04.

5. The Sheriff timely served the Property Execution on CBRM and the LLCs. The Sheriff thereafter scheduled a Sheriff’s sale of CBRM’s interests in the LLCs. The Sheriff’s sale was postponed multiple times, eventually to May 22, 2025. CBRM’s Chapter 11 case was filed on May 19, 2025 (the “Petition Date”), staying the execution sale.

⁴ CBRM’s Schedules of Assets and Liabilities [Docket No. 188] list only CBRM’s membership interest in Crown in Part 4, Question 15 (Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture).

6. On July 15, 2025, Spano filed a proof of claim on account of the CBRM Judgment, asserting a secured claim in the amount of \$21,118,881.01 (the “Spano Claim”).

7. On July 18, 2025, CBRM filed a Complaint commencing an adversary proceeding (the “Adversary Proceeding”) against Spano and Acquiom, seeking, on various grounds, to disallow the Spano Claim or have it classified as an unsecured claim.

8. Spano disputes all of CBRM’s claims in the Adversary Proceeding and will address those claims in due course.

B. The Plan and Disclosure Statement

9. On June 30, 2025, the Debtors filed the Plan and the related *Disclosure Statement for the Joint Chapter 11 Plan of CBRM Realty Inc. and Certain of Its Debtor Affiliates* [Docket No. 247] (the “Disclosure Statement”).

10. On July 11, 2025, the Debtors filed the DS Motion, seeking, among other things, entry of an order (i) granting conditional approval of the Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code and (ii) scheduling a combined hearing on final approval of the Disclosure Statement and confirmation of the Plan.

11. The Plan classifies the Spano Claim as a “CBRM Unsecured Claim,” which is defined as “all Unsecured Claims against CBRM, including any Claim held by Spano Investor LLC.” Plan Art. A.17. The Disclosure Statement includes no information, basis or explanation for this proposed treatment of the Spano Claim

OBJECTION

I. The Plan Cannot be Confirmed as Proposed Because it Improperly Classifies the Spano Claim

12. Section 1122(a) of the Bankruptcy Code provides that a “[e]xcept as provided in subsection (b) of this section, a plan may place a claim or an interest in a particular class only if

such claim or interest is substantially similar to the other claims or interests of such class.” 11 U.S.C. § 1122(a). Section 1129(a)(1) of the Bankruptcy Code provides that a Plan cannot be confirmed unless it “complies with the applicable provisions of [the Bankruptcy Code].” 11 U.S.C. § 1129(a)(1).

13. The Plan improperly classifies the Spano Claim as a “CBRM Unsecured Claim” by treating it as an unsecured claim, without any valuation of CBRM’s membership interest in Crown (or the other LLCs owned by CBRM against which Spano believes its judgment lien was perfected). The Spano Claim was filed as a secured claim and is entitled to prima facie validity under section 502(a) of the Bankruptcy Code and Fed. R. Bankr. P. 3001(f). *In re Heritage Highgate, Inc.*, 679 F.3d 132, 140 (3d Cir. 2012).

14. The allowability and secured or unsecured nature of the Spano Claim should be determined in connection with the Adversary Proceeding. In addition, it remains to be determined whether CBRM’s membership interest in Crown (or the other LLCs) has any value. The Plan cannot dictate that determination.

15. The Plan must be modified to preserve Spano’s rights as a secured creditor, subject to the Debtors’ and/or Creditor Recovery Trust’s rights to contest the Spano Claim, whether through the Adversary Proceeding or otherwise.

16. Because the Plan’s classification of the Spano Claim as an unsecured claim violates sections 1122(a) and 1129(a)(1) of the Bankruptcy Code, the Plan cannot be confirmed as proposed.

II. The Disclosure Statement Does Not Contain Adequate Information

17. The primary purpose of a disclosure statement is to provide all material information that stakeholders affected by a proposed plan need to make an informed judgment whether to vote for the plan. *See, e.g., Krystal Cadillac-Oldsmobile GMC Truck, Inc. v. Gen.*

Motors Corp., 337 F.3d 314, 321-22 (3d Cir. 2003) (stating that a disclosure statement must contain “adequate information” to “enable a creditor to make an informed judgment about the Plan”) (internal quotations marks omitted); 11 U.S.C § 1125(a)(1).

18. The Adversary Proceeding that was just commenced sets forth CBRM’s objections to the Spano Claim. However, the Disclosure Statement includes no information, basis or explanation for the Plan’s proposed treatment of the Spano Claim as an unsecured claim. The Disclosure Statement must be revised to include (i) a summary of CBRM’s claims in the Adversary Proceeding and (ii) a statement that Spano disputes all of the claims in the Adversary Proceeding and reserves all of its rights in connection therewith.⁵ As currently proposed, the Disclosure Statement does not contain “adequate information” as required by section 1125(b) of the Bankruptcy Code and cannot be approved, even on a conditional basis.

RESERVATION OF RIGHTS

19. Spano reserves the right to amend and/or supplement this Objection at or prior to the hearing on the DS Motion and any hearing on confirmation of the Plan. Spano further reserves the right to file additional objections to the Plan in accordance with any deadline for doing so established by the Court.

⁵ Spano further reserves the right to raise any objections it may have to language included in the revised Disclosure Statement.

Dated: July 21, 2025

/s/ Andrew H. Sherman

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