

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re:

CBRM REALTY INC., *et al.*,

Debtors.¹



Order Filed on September 3, 2025
by Clerk
U.S. Bankruptcy Court
District of New Jersey

Case No. 25-15343-MBK

Chapter 11

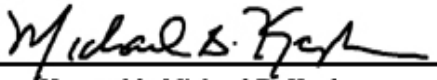
Hearing Date: August 21, 2025

Judge: Hon. Michael B. Kaplan

**ORDER DENYING MOTION FOR THE APPOINTMENT OF AN EQUITY SECURITY
HOLDERS COMMITTEE OR, IN THE ALTERNATIVE, APPOINTMENT OF
COUNSEL**

The relief set forth on the following pages, numbered two (2) through five (5), is
ORDERED.

DATED: September 3, 2025


Honorable Michael B. Kaplan
United States Bankruptcy Judge

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 (9071), 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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(Page 2)

Debtors: CBRM Realty, Inc., *et al.*

Case No. 25-15343 (MBK)

Caption of Order: ORDER DENYING MOTION FOR THE APPOINTMENT OF AN EQUITY
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APPOINTMENT OF COUNSEL

This matter comes before the Court on the motion (the “Motion”) of Moshe Silber (ECF No. 348) (the “Movant”), seeking the appointment of an official equity committee pursuant to 11 U.S.C. § 1102(a)(2), or, in the alternative, the appointment of counsel to represent the interests of equity holders. The Court has considered the submissions of the parties, including the Debtors’ Objection (ECF No. 374) and the Objection of the United States Trustee (“UST”) (ECF No. 377), and decides this matter without oral argument, consistent with D.N.J. LBR 9013-3(d). For the reasons set forth below, and for substantially the reasons advanced in the Objections, the Court finds and concludes as follows:

In his Motion, Movant asserts that shareholders lack adequate representation in these proceedings, that the Debtor’s assets are substantial and may yield a recovery for equity, and that without the requested relief equity interests will be unfairly diluted or eliminated.

The Debtors object on several grounds. They argue that the appointment of an equity committee is unwarranted because equity is “out of the money,” as confirmed by their financial advisor’s testimony and the Debtors’ operating reports. *See* ECF No. 374 at pgs. 12-13. Under the Debtors’ Plan, equity receives no recovery, and Movant himself conceded he cannot demonstrate solvency. *Id.* The Debtors further contend that adequate representation already exists because, as debtors-in-possession, they owe fiduciary duties to maximize value for all stakeholders, including equity, and an independent fiduciary—appointed with Mr. Silber’s consent—is actively protecting those interests. *Id.* at 14-16. Finally, the Debtors argue that Movant has not met the standard for appointment of counsel under 28 U.S.C. § 1915(e)(1), having made no showing of indigency or exceptional circumstances, and that diverting estate resources to fund counsel for a single

(Page 2)

Debtors: CBRM Realty, Inc., *et al.*

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shareholder would be improper given the Debtors' limited resources and Movant's own misconduct. *Id.* at 18-19.

The UST likewise objects to the Motion, emphasizing that the appointment of an equity committee is the rare exception under § 1102(a)(2). *See* ECF No. 377 at pg. 7. The UST argues that Movant, as the sole shareholder, seeks effectively a committee of one and has not met his burden of showing necessity. *Id.* at 2. Appointment of such a committee on the eve of confirmation would only cause delay, while the record shows no substantial likelihood of a distribution to equity given the Debtors' insolvency and liquidation analysis. *Id.* at 8-9. The UST further notes that Movant has made only a conclusory statement regarding his inability to retain counsel, without evidence that he cannot protect his interests by hiring counsel if he so chooses. *Id.* at 11-12. Finally, the UST stresses that avoiding unnecessary administrative costs is particularly important here, where unsecured creditors are already impaired substantially under the Debtors' plan. *Id.* at 2.

This Court finds no basis, in law or fact, for the appointment of an equity committee. Both the Debtors and the UST correctly emphasize that appointment of an equity committee is an extraordinary remedy and the rare exception. *In re Spansion, Inc.*, 421 B.R. 151, 156 (Bankr. D. Del. 2009) (quoting *In re Dana Corp.*, 344 B.R. 36, 38 (Bankr. S.D.N.Y. 2006)). The record demonstrates the extreme unlikelihood that equity will receive any distribution in this case—the Debtors' latest operating reports show negative equity, the liquidation analysis attached to the disclosure statement reflects no recovery to equity under any scenario, and the Debtors' financial advisor testified that no plausible scenario exists in which equity holders could receive a distribution. ECF No. 374 at 13. In such circumstances, there is no "substantial likelihood" of

(Page 2)

Debtors: CBRM Realty, Inc., *et al.*

Case No. 25-15343 (MBK)

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recovery for equity, and an equity committee would serve no legitimate purpose but to impose unnecessary expense on the estate.

Equity stakeholders are adequately represented in these proceedings. The Debtors, as debtors-in-possession, owe fiduciary duties to maximize value for all stakeholders, including equity holders (*In re Reliant Energy Channelview LP*, 594 F.3d 200, 210 (3d Cir. 2010)), and an independent fiduciary was appointed—at Movant’s own consent—to further safeguard stakeholder interests. The UST notes, and the Court agrees, that Movant has failed to establish that his interests cannot be adequately represented without an official equity committee. The statutory focus is adequate, not exclusive, representation, and the record amply supports that equity’s interests are already represented adequately.

Furthermore, the Court agrees with the UST that the timing of the Motion, on the eve of plan confirmation and in the midst of ongoing sale processes, weighs strongly against granting the requested relief. At this stage of the case, an equity committee could not fulfill its most important function—negotiating a plan—and would only delay confirmation at the expense of other stakeholders. *Matter of Kalvar Microfilm, Inc.*, 195 B.R. 599, 601 (Bankr. D. Del. 1996).

Movant has likewise failed to meet the standard for appointment of counsel under 28 U.S.C. § 1915(e)(1). As the Debtors argue, he has not demonstrated indigency or exceptional circumstances justifying such relief. The UST notes that a bare statement of inability to afford counsel is insufficient, and this Court agrees. Requiring the estates to fund Movant’s litigation would be inappropriate, especially where his own misconduct contributed substantially to these proceedings.

(Page 2)

Debtors: CBRM Realty, Inc., *et al.*

Case No. 25-15343 (MBK)

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Accordingly, for the reasons set forth above, and for good cause shown, it is hereby

ORDERED that the Motion (ECF No. 348) is DENIED in its entirety.

In re:
CBRM Realty Inc.
Debtor

Case No. 25-15343-MBK
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0312-3
Date Rcvd: Sep 03, 2025

User: admin
Form ID: pdf903

Page 1 of 3
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Sep 05, 2025:

Recip ID	Recipient Name and Address
db	+ CBRM Realty Inc., c/o Lynd Living, 4499 Pond Hill Road, San Antonio, TX 78231-1292

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 05, 2025

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on September 3, 2025 at the address(es) listed below:

Name	Email Address
Andrew Zatz	on behalf of Plaintiff CBRM Realty Inc. azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor RH New Orleans Holdings LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor CBRM Realty Inc. azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor RH Chenault Creek LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor Crown Capital Holdings LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor Kelly Hamilton Apts MM LLC azatz@whitecase.com mco@whitecase.com

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User: admin

Page 2 of 3

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Andrew Zatz	on behalf of Debtor RH Copper Creek LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor RH Lakewind East LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor RH New Orleans Holdings MM LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor RH Windrun LLC azatz@whitecase.com mco@whitecase.com
Andrew Zatz	on behalf of Debtor Kelly Hamilton Apts LLC azatz@whitecase.com mco@whitecase.com
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Brett D. Goodman	on behalf of Interested Party CKD Funding LLC brett.goodman@afslaw.com jeffrey.gleit@afslaw.com;matthew.bentley@afslaw.com;edocket@afslaw.com
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Page 3 of 3

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on behalf of Plaintiff Laguna Reserve Apts Investor LLC Patricia.Fugee@FisherBroyles.com ecf@cftechsolutions.com

U.S. Trustee

USTPRegion03.NE.ECF@usdoj.gov

TOTAL: 33