

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

Caption in Compliance with D.N.J. LBR 9004-1(b)

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*Proposed Counsel to the Special Committee of
Independent Directors*

In Re:

CCA Construction, Inc.,

Debtor.¹

Chapter 11

Case No. 24-22548

Judge: Hon. Christine M. Gravelle

**REPLY OF SPECIAL COMMITTEE OF INDEPENDENT DIRECTORS TO LIMITED
OBJECTION OF BML PROPERTIES, LTD. TO
APPLICATION TO RETAIN DUANE MORRIS LLP AS COUNSEL TO THE SPECIAL
COMMITTEE EFFECTIVE APRIL 9, 2025**

The special committee of independent directors (the “Special Committee”) to the above referenced debtor and debtor-in-possession (the “Debtor”) through its sole disinterested director M. Elizabeth Abrams, respectfully submits the following reply (the “Reply”) to the *Limited Objection of BML Properties, Ltd. to the Application to Retain Duane Morris LLP as Counsel to Special Committee*, the “Limited Objection”), filed on April 24, 2025 by BML Properties, Ltd. (“BMLP”) [Docket No. 273].²

¹ The last four digits of CCA’s federal tax identification number are 4862. CCA’s service address for the purpose of this chapter 11 case is 445 South Street, Suite 310, Morristown, NJ 07960.

² Of note, upon receipt of the Application, as defined below, the office of the United States Trustee (the “UST”) made informal inquiry of DM with respect to items that concerned the UST. The UST filed no objection to the Application.



1. The Special Committee submits this Reply to the Limited Objection to the Application for Retention of Professional Effective April 9, 2025 (the “Application”), filed on April 17, 2025 [Docket No. 255]. As stated in the Application, “the Special Committee requires the retention of counsel to render independent legal services on behalf of, and at the sole direction of, the Special Committee.” The Application further states that “the Special Committee seeks to retain DM as its counsel with respect to all matters for which the Special Committee has been delegated authority, including with respect to the Special Committee’s investigation of potential claims or causes of action of the Debtor, if any, against third parties and related matters in the Chapter 11 Case as the representation proceeds (the “Matter”), at the direction of and with the approval of the Special Committee.”

2. The Limited Objection does not oppose the retention of counsel by the Special Committee.³ The Limited Objection focuses on (1) DM being retained to “conduct” an investigation in light of the forthcoming examiner; and (2) estate resources should not be diverted to, a separate and duplicative investigation....”⁴

3. Subsequent to receiving the Limited Objection, BMLP’s counsel was advised that the Application was imprecise in its description of DM’s role in the investigation, that Cole Schotz was conducting an investigation, and that DM was being engaged, in part, to assist the

³ Bankruptcy Courts have recognized and authorized compensation to counsel for Independent Directors. See *In re Alecto Healthcare Services LLC*, 2025 U.S. Dist. LEXIS 61698 (D. Del., March 31, 2025) (Court authorized the debtor to retain an independent director who was “empowered to employ his own independent counsel in connection with his exercise of his duties.”); *In re: Nordic Aviation Capital Designated Activity Company, et al*, 2022 WL 10716251 (Case No. 21-33693-KRH), October 18, 2022.

⁴ In the Limited Objection, BMLP takes issue with the timing of DM’s retention. Ms. Abrams’ initial contact with DM was on or about March 26, 2025, two weeks prior to the appeal decision. DM was delayed because of its internal conflicts’ procedures. Once cleared and the engagement confirmed with Ms. Abrams, DM commenced services on and after April 9, 2025 to prepare retention pleadings and represent the Special Committee’s interest in the investigation as it commenced. This is the reason for the April 9, 2025 effective date request.

Special Committee in overseeing the investigation. DM is also being retained to address any other issues or items that the Special Committee may request of DM.

4. BMLP's counsel requested the submission of a revised application stating the above. Instead, DM provided BMLP's counsel with a revised proposed form of order that clarified DM's role. DM believed that there was no reason to expend additional estate resources in preparing an unnecessary revised application when its described role was being more precisely described and such modification could easily be set forth in a revised proposed order. DM provided BMLP's counsel with a revised proposed order that provided as follows:

"The applicant is authorized to retain DM with respect to all matters for which the Special Committee has been delegated authority, including with respect to the Special Committee's oversight of the investigation of potential claims or causes of action of the Debtor, if any, against third parties and related matters in the Chapter 11 Case as the representation proceeds (the "Matter"), at the direction of and with the approval of the Special Committee. DM shall use its best efforts to avoid duplication of services provided by any of the other professionals retained in the Chapter 11 Case."

5. BMLP rejected the revision and requested that the hearing on the Limited Objection proceed.

6. In the Limited Objection, BMLP seems to indicate that since there is an "independent examiner" the examiner should be the only person conducting an investigation. BMLP argues that any other persons conducting an investigation is duplicative. The Special Committee disagrees.

7. As an independent director, the Special Committee believes that it is incumbent on it to oversee an investigation by the Debtor so that (i) the Special Committee independently of the Debtor's directors and the examiner obtains an understanding of the Debtor's transactions and interactions with third parties, affiliates, and subsidiaries, including the points raised, rightly or

wrongly by BMLP in its Limited Objection; and (ii) the Special Committee can determine if any report by the examiner is correct, incorrect or should be challenged in any way.

8. In addition to overseeing the investigation, DM is also rendering services to the Special Committee as needed and as requested. This has become more important given that BMLP has repeatedly put the Special Committee's independence at issue and the Debtor is now pivoting to discussions over how to move this chapter 11 case forward to conclusion.

WHEREFORE, the Special Committee requests that the Court should enter an Order authorizing the Special Committee to retain the services of Duane Morris LLP effective April 9, 2025 and for such further relief as the Court deems just and proper.

DUANE MORRIS LLP
Proposed Counsel to the Special Committee

By: /s/ Morris S. Bauer
Morris S. Bauer, Esq.

Dated: May 19, 2025