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

In re:

CCA Construction, Inc.,¹

Debtor.

(Hon. Christine M. Gravelle)

Chapter 11

Case No. 24-22548-CMG

**MOTION OF BML PROPERTIES, LTD. FOR ENTRY OF AN
ORDER (A) CONFIRMING DIRECT CLAIMS AGAINST CSCEC
HOLDING COMPANY, INC., (B) GRANTING LIMITED RELIEF FROM THE
AUTOMATIC STAY TO PURSUE POST-JUDGMENT RELIEF IN NEW YORK STATE
COURT OR OTHER APPROPRIATE FORUM, (C) GRANTING DERIVATIVE
STANDING TO PURSUE ESTATE ALTER EGO CLAIMS AGAINST CSCEC
HOLDING COMPANY, INC., AND (D) GRANTING RELATED RELIEF**

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



BML Properties, Ltd. (“BMLP”), by and through its undersigned counsel, hereby submits this motion (the “Motion”)² for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”):

1. Confirming that BMLP, as a holder of a judgment against debtor CCA Construction, Inc. (“CCA” or the “Debtor”), holds direct veil piercing claims against the Debtor’s parent company, CSCEC Holding Company, Inc. (“CSCECH”),³ and that such claims do not constitute property of the estate under section 541(a) of title 11 of the United States Code (the “Bankruptcy Code”);
2. Granting limited relief from the automatic stay pursuant to Bankruptcy Code section 362(d), to the extent the automatic stay is applicable, to permit BMLP to proceed with post-judgment relief against non-debtor CSCECH in the New York state court action or other appropriate forum (the “State Court Post-Judgment Proceeding”);
3. Granting derivative standing to BMLP to pursue any *alter ego*, veil piercing or other successor liability claims of the Debtor’s estate against CSCECH in connection with the State Court Post-Judgment Proceeding and settlement authority with respect to such claims; and
4. Granting other relief necessary to effectuate the relief sought in this Motion.

In support of the Motion, BMLP submits the *Declaration of Robert K. Malone in Support of Motion of BML Properties, Ltd. for Entry of an Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue*

² All citations to documents filed on the docket cite to the relevant paragraph or page number assigned by the Court’s electronic filing system.

³ This Motion does not address the claims that may lie against China State Construction Engineering Corporation, Ltd. (“CSCEC Ltd.”), as to which BMLP reserves all rights.

Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief (the “Malone Declaration”), and respectfully states as follows:

PRELIMINARY STATEMENT

1. BMLP is, by far, the largest general unsecured creditor in this chapter 11 case, holding approximately 99% of the non-insider claims in this case. BMLP obtained a judgment in excess of \$1.6 billion (the “Judgment”), awarded by Judge Borrok of the Supreme Court of the State of New York, New York County (the “New York Court”) less than 2 months before the Debtor filed for bankruptcy. It stands to lose the most if the Debtor’s estate squanders its assets. This Motion seeks to guard against that by ensuring that the Debtor’s parent, CSCECH, is held accountable for claims that the Debtor’s own Special Committee [REDACTED]

2. This chapter 11 case is not the typical “mega” chapter 11 case filed in this district. The Debtor is not reorganizing in any normal sense. The Debtor by its own admission operates only as a “cost-center” for CSCECH and its affiliates, and it is in no way seeking to restructure its operations because it has no intention of doing anything other than being an affiliated cost center. It is now “borrowing” money on a secured basis from CSCECH, its immediate parent company, and loses money every month through its “operations”⁴ because the Debtor effectively generates zero revenue. And there was no creditors’ committee appointed, meaning there is no estate-funded fiduciary to monitor and intercede on behalf of the general unsecured creditors. The few other non-insider claimants largely consist of law firms and expert witness who advised the Debtor in

⁴ As such, and as revealed through DIP-related discovery, no unrelated party was willing to lend money into such a situation.

litigation against BMLP, technology vendors who were paid currently, and one litigation claimant in Florida.

3. This case will only be successfully resolved if either the Debtor reverses the Judgment (which is remotely likely at best and should be known in the next few months whether New York's highest court will even hear the Debtor's appeal) or the Debtor's estate faces reality and acknowledges that BMLP must be on board. But it is clear that the Debtor, including the Special Committee, are simply not going to pursue the Debtor's parent. The Debtor's plan is to take steps to give CSCECH releases and not push CSCECH to make any fair offers.

4. As evidence of this intent, just after the Special Committee released its report and this Court asked at a hearing on August 7, 2025 where the case was headed, BMLP requested the Special Committee make a settlement demand on CSCECH that BMLP could support, relying on the Special Committee's own recognition that [REDACTED] The Special Committee has refused. *See* Malone Decl. at Ex. 1.

5. On July 31, 2025, the Special Committee issued its report (the "Committee Report"). *See* Docket No. 421. [REDACTED]
[REDACTED]
[REDACTED] Committee Report at 5. [REDACTED]
[REDACTED] *See, e.g., id.* at 59–71.⁵ [REDACTED]
[REDACTED] It is as uncomplicated as it gets; absent CSCECH agreeing to pay a fair resolution that BMLP finds acceptable, BMLP will pursue CSCECH and so should the Debtor's estate.

⁵ The Committee Report leaves a lot to be desired in its methodology and rigor, as discussed below. But at least the Committee could not ignore what has been obvious to BMLP since the Petition Date – [REDACTED]
[REDACTED]

6. [REDACTED] *See*, e.g., Committee Report at 1. That is not right. BMLP holds *direct* claims against CSCECH for veil piercing that cannot be released or settled by the estate, largely because virtually all of the conduct of CSCECH giving rise to alter ego liability was directed at BMLP in an effort to thwart its pursuit of available remedies and not designed to harm creditors generally. Thus, regardless of what the Special Committee or the Examiner reports on, or what a plan of reorganization or a Rule 9019 settlement motion may seek with respect to estate claims, BMLP will have direct recourse against CSCECH.

7. The Debtor has made clear that it will do anything to disrupt BMLP's efforts to have its Judgment satisfied, and will no doubt argue that BMLP's efforts to pursue CSCECH on its direct claims would violate the automatic stay. The Debtor likely will do so only at the behest of CSCECH, since a successful BMLP claim against CSCECH means the Debtor will not have to face its inability to satisfy the Judgment, benefitting the Debtor and its non-insider creditors but harming the Debtor's parent.

8. BMLP tried to give the Debtor an off-ramp by offering to work together to make a settlement demand on CSCECH to resolve *all* claims against CSCECH. This occurred right after the Special Committee issued its report and this Court conducted a hearing on August 7, 2025. The Debtor refused to make such a demand. *See* Malone Decl. at Ex. 1.

9. Thus, to avoid the ongoing sham that the Debtor is a legitimate business and that CSCECH is acting altruistically, BMLP is filing this Motion. BMLP seeks two (2) forms of relief relating to its direct claims. One, BMLP seeks an order confirming that its claims are, indeed, direct claims such that the Debtor cannot later claim any such veil piercing claims constitute property of the estate that are subject to the automatic stay. Two, because BMLP intends to utilize

New York's post-judgment summary proceeding mechanism⁶ to enforce the Judgment against CSCECH,⁷ and the underlying proceeding named the Debtor as a defendant, BMLP wants to avoid any argument that the automatic stay applies to block BMLP from proceeding against CSCECH.

10. Further, because the Special Committee acknowledges that [REDACTED]
[REDACTED]
[REDACTED]⁸ but is obviously conflicted and has refused to even make a demand on CSCECH, BMLP also requests derivative standing to pursue (and settle) such claims in accordance with *Off. Comm. of Unsecured Creditors of Cybergenics Corp. ex rel. Cybergenics Corp. v. Chinery*, 330 F.3d 548, 553 (3d Cir. 2003).⁹ See also *In re Yes! Entm't Corp.*, 316 B.R. 141, 145 (D. Del. 2004) (in following the *Cybergenics* decision, the Court held that the bankruptcy court, as a court of equity, has the power to authorize a creditor to sue to recover property for the benefit of the estate).

11. In its report, the Special Committee asserted that [REDACTED]
[REDACTED]
[REDACTED] Committee Report at 5–6.
In other words, according to the Special Committee, [REDACTED]
[REDACTED] The relief sought in this Motion fully resolves that very concern because it removes any risk to the estate over costs and time. For avoidance of any doubt, ***BMLP will bear any and all fees and costs associated with prosecuting the estate veil piercing claims.*** Further, any net recoveries on account of estate

⁶ While BMLP intends to bring its direct alter ego claims in New York state court, the Motion seeks authority, and BMLP reserves the right, to assert such claims in any other appropriate forum and by any appropriate procedure.

⁷ Notably, the Committee Report does not even mention this possibility, which would be a far more efficient way to proceed.

⁸ As discussed below, it is far from clear whether a Delaware corporation can pierce its own corporate veil but several federal courts have predicted that the Delaware Supreme Court would so hold.

⁹ This limited relief does not apply to any fiduciary duty/aiding abetting claims or avoidance action claims that belong to the estate.

claims—[REDACTED]—will be paid as directed by this Court, including payment on any outstanding amounts of the DIP financing. And in no way is BMLP seeking to interfere with the Debtor’s appellate rights concerning the Judgment; if the Debtor were to ultimately be granted certification and thereafter prevail before the New York Court of Appeals, resulting in the Judgment being vacated and reversed, BMLP will dismiss with prejudice its veil piercing claim efforts.

12. If the Debtor is intellectually and economically honest with this Court, it will not oppose the relief requested because there is *no prejudice at all to the estate and, in fact, there are benefits to the estate*. There is no cost because, in effect, the Debtor’s estate gets the benefit of free counsel to litigate a claim, including a claim that the Special Committee [REDACTED]. If BMLP prevails, a non-debtor will be a source to satisfy in full the Judgment, which will only inure to the benefit of the Debtor’s other non-insider creditors.

13. Granting the Motion ends a lot of the friction that has permeated this case. The Debtor can continue seeking confirmation of a plan, selling or “reorganizing” around other assets, and seeking to settle with CSCECH on other claims while acknowledged colorable, and potentially valuable estate claims are pursued on BMLP’s dime.

14. For the reasons set forth herein, this Court should grant the Motion.

JURISDICTION

15. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference* from the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.).

16. This is a “core” proceeding pursuant to 28 U.S.C. § 157(b). BMLP consents to the entry of a final order by the Court in connection with this Motion to the extent that it is later

determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

17. Venue is proper before this Court pursuant to 28 U.S.C. Sections 1408 and 1409.

18. The bases for the relief requested herein are sections 105(a), 362(d), 541(a), and 1109 of the Bankruptcy Code.

BACKGROUND

A. The New York Court awards BMLP a \$1.6 billion judgment and denies CCA a stay pending appeal.

19. In December 2017, BMLP commenced an action in the Supreme Court of the State of New York, New York County (the “New York Court”) against CCA and two affiliated entities, CSCEC Bahamas, Ltd. (“CSCECB”) and CCA Bahamas Ltd. (“CCAB”) styled *BML Props. Ltd. v China Constr. Am., Inc.*, Index No. 657550/2017 (Sup. Ct., NY County, Commercial Division) (the “New York Action”), alleging fraud, breach of contract, and other causes of action in connection with the construction of the Baha Mar resort complex in the Bahamas.

20. On October 18, 2024, following more than seven (7) years of litigation and an 11-day bench trial, the New York Court issued a comprehensive 74-page decision detailing its analysis and conclusions of law (the “New York Decision”), a copy of which is attached as Exhibit 2 to the Malone Declaration. On October 31, 2024, the New York Court entered the Judgment in favor of BMLP and against CCA and its affiliated non-debtor co-defendants, CCAB and CSCEB, jointly and severally, in a total sum equal to \$1,642,598,493.15, plus interest.

21. The New York Decision highlights that CCA’s liability arose from a scheme perpetrated to defraud and loot assets from BMLP, its former business partner, in connection with developing the Baha Mar resort complex in the Bahamas. Fraud, of course, requires clear and convincing evidence, which Judge Borrok found had been demonstrated at least four separate times. New York Decision at 1. Judge Borrok also found that the testimony of the Debtor’s and

other affiliates’ representatives “was often inconsistent with their own internal communications or otherwise confirmed their many instances of breach and fraud.” *Id* at 2. The court noted that “in perhaps one of the only moments of true candor,” one key representative of the Debtor (Mr. Wu) was not aware of, and never even read, key documents in the dispute with BMLP. *Id.* [REDACTED]

[REDACTED] Committee Report at 26. Consequently, CCA and its two co-defendants are jointly and severally obligated to pay BMLP over \$1.6 billion, plus still-accruing interest, under the enforceable Judgment.

22. On November 1, 2024, CCA filed a motion with the Supreme Court of New York, Appellate Division, First Department seeking to stay enforcement of the Judgment pending its appeal. On November 13, 2024, BMLP opposed that motion. On December 19, 2024, the Appellate Division denied CCA’s motion in its entirety.

B. CCA commences this Chapter 11 case and seeks a secured \$40 million insider DIP loan from CSCECH and other relief with respect to its affiliates.

23. On December 22, 2024 (the “Petition Date”), CCA commenced a voluntary chapter 11 case under title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of New Jersey (the “Court”).

24. The Debtor filed its schedules of assets and liabilities on January 27, 2025 and an amended version on March 26, 2025.¹⁰ Schedule E/F lists BMLP as the largest unsecured creditor, owed \$1,642,598,493.¹¹ The next largest creditor is CSCECH, allegedly owed approximately \$124.8 million for “intercompany funding.”¹² After these two, the third largest creditor is a

¹⁰ See generally Docket Nos. 99 and 234.

¹¹ Docket No. 234 at 8. This does not include post-Judgment interest which BMLP can pursue against CSCECH.

¹² BMLP disputes the characterization of any pre-petition amounts allegedly due from the Debtor to CSCECH as legitimate debt, and reserves all rights with respect to the same. The Committee Report [REDACTED]

provider of professional services that is owed \$486,916.57. Indeed, after BMLP and CSCECH, the total amount of scheduled general unsecured creditors is less than \$1.4 million, meaning that that the entire universe of scheduled non-insider general unsecured claims total less than 0.09% of the Judgment.¹³

25. To date, no trustee has been appointed, and CCA continues in possession of its property and manages its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No official committee of unsecured creditors has been formed by the Office of the United States Trustee. This is not surprising because, other than BMLP, there are virtually no other non-insider creditors; the few that exist hold exceedingly small claims. Thus, no estate-funded fiduciary for unsecured creditors exists.

26. Prior to the Petition Date, the Debtor's business consisted almost entirely of serving as a "cost center" for CSCECH with little to no third party trade debt in support of ongoing operations. According to the Debtor's schedules, in the 90 days prior to the Petition Date, the Debtor paid \$2,596,138.17 to 21 non-insiders. Two payments were made to vendors related to litigation with BMLP. Four were made to current and former employees. Four were made to medical/employee benefits providers and insurers. Four were made to technology vendors (totaling \$113,145.37). Two were payments made to law firms, one was a tax services provider, and one was a legal consulting services provider. Three were from an immigration law consultant, team building vendor, and a bank for banking fees. All of these suggest the Debtor is not actually conducting any ongoing business selling goods or services to third parties.¹⁴

¹³ For completion, the schedules disclose four surety bonds that are contingent and unliquidated and one litigation claim held by Marina Pointe East Developer, LLC.

¹⁴ The Debtor also paid Morris Street 2015 Urban Renewal LLC, which apparently is a counterparty to contracts and leases.

27. On the Petition Date, the Debtor filed a suite of motions, including, among others, the *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to Obtain Postpetition Financing; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* (Docket No. 4) (the "DIP Motion"), seeking, among other things, a debtor-in-possession financing loan from CSCECH in an amount of up to \$40 million on a secured, super-priority basis (the "CSCECH DIP Loan").

28. The Debtor made minimal efforts to obtain financing from third parties and no third-party lender would provide such financing because the Debtor has put forward no evidence that the assets of the Debtor's estate are worth the \$40 million of DIP financing sought by the estate. Indeed, since the Petition Date, [REDACTED] While the Debtor has scheduled certain accounts receivable due to it from affiliates, BMLP is not aware of any effort whatsoever to collect on such accounts receivable, which any legitimate third party lender would expect a debtor's estate to undertake.

29. This Court nonetheless approved the CSCECH DIP Loan over BMLP's objection. Since obtaining the CSCECH DIP Loan, the Debtor has had to borrow [REDACTED], primarily for funding payment of estate professional fees, [REDACTED] The fact that the Debtor generates no revenue is consistent with the fact that the Debtor historically has been just a "cost center" instrumentality of CSCECH. The Debtor loses money every month with or without the CSCECH DIP Loan.

30. Along with its first day pleadings, CCA submitted a declaration from Mr. Yan Wei (Docket No. 11) (the "Wei Declaration"), CCA's Chairman and CEO, who is also CEO and President of CSCECH. Committee Report at 26. According to its first day pleadings, "CCA is a holding company that does not itself generate sufficient operating cash flow in the ordinary course of business" but rather "CCA's liquidity comes either from CSCEC Holding in the form of

intercompany financing or, in certain instances, from payments received from its subsidiaries.”
DIP Motion ¶ 22.

31. The Debtor had no independent voice for years (including during the course of litigation with BMLP) until October 21, 2024, when it engaged Ms. Elizabeth Abrams as an “independent director”. Wei Declaration ¶ 15. This appointment occurred three (3) days after the New York Decision was entered but several *years* after serious allegations of fraud were raised.¹⁵

32. [REDACTED] the Debtor has done very little in these cases in respect of monetizing assets. As noted above, the Debtor has not, to the best of BMLP’s knowledge, sought to collect any receivables from any affiliates despite scheduling over \$96 million owed by affiliates.¹⁶ Having been in bankruptcy for nine months, the Debtor has not sought to sell any of its ownership interests in companies which, for a company that generates no revenues, indicates that these ownership interests are not necessary for a reorganization.¹⁷

33. The Debtor arranged for the Special Committee, represented by the same counsel representing the Debtor, to investigate various potential claims, including *alter ego* claims the estate may hold against CSCECH. On July 31, 2025,¹⁸ the Special Committee issued its Committee Report.

34. According to the report, the Special Committee’s counsel [REDACTED]
[REDACTED]
[REDACTED]

¹⁵ The Debtor’s Board of Directors also formed the Special Committee consisting only of Ms. Abrams.

¹⁶ Docket No. 99 (Schedules of Assets and Liabilities) at 13; *id.* at 25 (Schedule A/B 77).

¹⁷ The Debtor even failed to timely file reports on its 100% ownership in four subsidiaries, despite being obligated to do so under Bankruptcy Rule 2015.3 and this Court’s order giving the Debtor until seven days prior to the section 341(a) meeting (held on February 12, 2025) to file such reports. Up until last week, these reports had not been filed, defying this Court’s order for nearly six months.

¹⁸ The report was initially due by July 17, 2025, but the Special Committee requested an extension to July 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

36. Finally, the Special Committee wrote its report at the same time the Debtor has actively sought reversal of the Judgment that, among other things, was premised on CSCECH representatives defrauding BMLP in the Debtor's name.

C. Evidence of CSCECH's abuse of the Debtor since the commencement of the New York Action.

37. The Committee Report identifies [REDACTED]

[REDACTED] This entire period occurred while BMLP pursued the Debtor in New York and when, as is now apparent, CSCECH began a campaign to ensure that BMLP would never recover on any judgment and that CSCECH would reap the benefits of any value left in the Debtor. This

¹⁹ [REDACTED]

²⁰ The Committee Report only briefly mentions that [REDACTED]

[REDACTED] Committee Report at 18. However, it is not clear from this statement what has happened to the documents involving Debevoise and any other Debtor counsel.

campaign was not designed to harm creditors of the Debtor generally (especially when the Debtor had few, if any, creditors who were left without recourse) but designed to harm BMLP specifically.

38. The following is a non-exhaustive list of facts supporting piercing the corporate veil to hold CSCECH liable for the Judgment:

- The Debtor has overlapping directors, officers, and personnel with CSCECH. The chart below, [REDACTED], confirms the extensive overlap:²¹

INDIVIDUAL	AFFILIATION
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

- The Debtor's employee census acknowledges [REDACTED]

²¹ Committee Report at 26–27.

[REDACTED]

- Until the appointment of Ms. Elizabeth Abrams in October 2024, [REDACTED]
[REDACTED] All of CCA's officers have [REDACTED]²³
- Mr. Ning Yuan served as both the President of the Debtor and the Chairman of CSCECH. As the most senior officer in the Western Hemisphere, he would channel all requests to CSCECH's parent CSCEC Ltd., who apparently made decisions for the CSCEC Group.²⁴
- Mr. Jichao Xu, [REDACTED]
[REDACTED]
- James McMahon, Esq. [REDACTED]
[REDACTED]

- The CSCEC Group relies on the same personnel and the same information sources.

[REDACTED]

○ [REDACTED]

- The Debtor and CSCECH have both held themselves out as “CCA” and/or “China Construction America.” The Debtor changed its name to “CCA Construction, Inc.” on August 10, 2017, and just two months later, the

²² See e.g., Docket No. 309 (Supplemental Examiner Brief) ¶ 78.

²³ *Id.* ¶ 77.

²⁴ Supplemental Examiner Brief ¶ 77.

²⁵ *Id.* ¶ 78.

²⁶ *Id.* ¶ 78.

²⁷ *Id.* ¶ 51.

²⁸ See e.g., Supplemental Examiner Brief ¶¶ 26–27, 36–37, 81; Omnibus Objection ¶ 19.

Debtors' old legal name became a trade name for CSCECH: "China Construction America (CCA)." ²⁹ [REDACTED]

[REDACTED] Committee Report at 24.

- [REDACTED]

- [REDACTED]

- CSCECH and the Debtor share an office in Morristown, NJ, [REDACTED]

- [REDACTED]

- CCA has been severely undercapitalized, [REDACTED]

- [REDACTED]

- [REDACTED]

²⁹ Supplemental Examiner Brief ¶ 26.

³⁰ *Id.* ¶ 81.

³¹ *See e.g., id.*

³² *Id.*

³³ *Id.* ¶¶ 5, 33–34, 36, 83.

³⁴ *Id.* ¶¶ 33–34.

[REDACTED]

■ [REDACTED]

- CCA's and CSCECH's finances and operations of the shared services f [REDACTED]
[REDACTED] at 34–35, 38, 40–41, 44, 51–53, 57–58.

- CSCECH itself initially provided shared services to its direct and indirect subsidiaries as far back as 2018.³⁶

■ [REDACTED]

■ [REDACTED]

³⁵ *Id.* ¶ 34.

³⁶ *Id.* ¶ 27.

³⁷ *Id.* ¶¶ 27–28.

³⁸ *Id.* ¶ 4.

RELIEF REQUESTED

39. By way of this Motion, BMLP seeks entry of the Proposed Order: (a) concluding that BMLP holds direct claims for veil piercing and such claims are not property of the Debtor's estate; (b) to the extent required, granting limited relief from the automatic stay to seek post-judgment relief against CSCECH, a non-debtor; and (c) granting derivative standing, pursuant to sections 105(a) and 1109(b) of the Bankruptcy Code, for any alter ego, veil piercing, or similar claims against CSCECH that the Debtor's estate holds.

40. For avoidance of doubt, nothing in the relief BMLP requests impacts any other estate causes of action, or any other direct claims that BMLP may have against any of the Debtor's other affiliates, nor does anything in this relief impact the Debtor's appeal from the Judgment. In the event that the Judgment is reversed and BMLP has no claim against the Debtor, BMLP shall cease pursuing any derivative claims against CSCECH.

41. Further, BMLP is not seeking to charge the estate for the fees and costs incurred pursuing such post-Judgment relief against CSCECH. Finally, proceeds of any estate claims that BMLP prosecutes will inure to the benefit of the estate and will be used to first pay off the DIP to CSCECH (if still outstanding) and other administrative or secured creditors (according to their priority under applicable law). As such, there is no downside risk to the Debtor's estate and creditors.

ARGUMENT

42. BMLP seeks relief from this Court that is designed for one primary purpose: ensuring that the Debtor's largest creditor by many magnitudes – now owed over \$1.7 billion with post-judgment interest – can obtain relief from CSCECH, the Debtor's non-debtor parent, without in any way prejudicing the Debtor's estate and without the Debtor improperly trying to favor its parent company to the detriment of its estate and its creditors.

A. BMLP holds direct veil piercing claims against CSCECH that do not constitute property of the estate.

43. BMLP first seeks an order confirming it holds *direct* claims against BMLP. This is necessary because the Special Committee states in its report that all alter ego claims belong to the estate, Committee Report at 60, and, if BMLP were to proceed on its direct claims, no doubt the Debtor would run to this Court contending that BMLP has violated the automatic stay (despite the fact that pursuing a direct claim directly benefits the estate through a reduction in the amount of claims asserted against the Debtor).

44. Bankruptcy Code section 541(a) provides that upon the commencement of a bankruptcy case, an estate is created that comprises (without certain exceptions not relevant here) “all legal or equitable interests of the debtor in property as of the commencement of the case.” 11 U.S.C. § 541(a). Claims that belonged to a debtor prepetition fall within the scope of section 541(a) and cannot be pursued by any person other than a trustee (or debtor in possession) absent order of a bankruptcy court. Pursuing such claims risks violating the automatic stay in section 362(a).

45. But claims that do not belong to a debtor prepetition are not property of the estate and, as a general rule, may be pursued by creditors without implicating section 541(a) or the automatic stay. *See, e.g., Bd. of Trs. of Teamsters Loc. 863 Pension Fund v. Foodtown, Inc.*, 296 F.3d 164, 169–70 (3d Cir. 2002).³⁹ As instructed by the Supreme Court, what constitutes interests in property is determined by applicable state law. *See Butner v. United States*, 440 U.S. 48, 53 (1979). Since the Debtor is a Delaware corporation, Delaware law applies.⁴⁰

³⁹ While the Committee Report asserts that *all* veil piercing claims are estate claims, citing *Emoral*, the report fails to cite *Foodtown*, which involved a creditor asserting such claims even though there was a bankruptcy, which *Emoral* itself relies on.

⁴⁰ [REDACTED]

46. Like most states, under Delaware law whether a claim is direct or derivative depends on two (2) factors: “(1) who suffered the alleged harm (the corporation or the suing stockholders, individually); and (2) who would receive the benefit of any recovery or other remedy (the corporation or the stockholders, individually).” *Tooley v. Donaldson, Lufkin & Jenrette, Inc.*, 845 A.2d 1031, 1033 (Del. 2004). In the case of veil piecing under Delaware law, creditors, including judgment creditors, have standing to pursue veil piercing claims as direct claims. *See, e.g., Manichaeen Cap., LLC v. Exela Techs., Inc.*, 251 A.3d 694, 709–710 (Del. Ch. 2021). Indeed, it is far from clear whether a Delaware corporation can pierce its own corporate veil. No Delaware state court has definitively ruled whether a corporation can pierce its own veil to hold its parent liable for the corporation’s debts. *See In re Maxus Energy Corp.*, 571 B.R. 650, 658 (Bankr. D. Del. 2017).⁴¹

47. Courts, including the Third Circuit and courts in this District, have wrestled with whether *alter ego*, veil piercing, mere instrumentality, or successor liability constitute an individual creditor’s direct claim or belong to a bankruptcy estate.⁴² In *In re Emoral, Inc.*, 740 F.3d 875, 879 (3d Cir. 2014), the Third Circuit held that claims based on a “mere continuation” theory of successor liability arising under state law were nonetheless “property of the estate” based on a two-prong test. One, did the claim arise prepetition and could have been asserted by a trustee on his own behalf under applicable state law. *Id.* Two, is the claim a general one, with no particularized injury arising from it. *Id.*

⁴¹ But several federal courts, largely in the bankruptcy context, have predicted that the Delaware Supreme Court would authorize such an action. *See id.* at 658-59; *see also In re TPC Grp. Inc.*, No. 22-10493 (CTG), 2023 WL 2168045, at *6 (Bankr. D. Del. Feb. 22, 2023).

⁴² New Jersey permits a corporation to pierce its own corporate veil so, not surprisingly, courts have held that such claims (or alter ego claims) can constitute property of the estate. *See In re Bldgs. by Jamie, Inc.*, 230 B.R. 36, 43–44 (Bankr. D.N.J. 1998).

48. To determine how to categorize the claim, courts must “examine the nature of the cause of action itself” and the theory of liability asserted. *Id.* In particular, if the “theory of recovery” is “‘based on facts generally available to any creditor, and recovery would serve to increase the pool of assets available to all creditors,’ then the claim is general.” *In re Wilton Armetale, Inc.*, 968 F.3d 273, 283 (3d Cir. 2020) (quoting *Emoral*, 740 F.3d at 881). Under those circumstances, the claim, which “‘inures to the benefit of all creditors’ by enlarging the estate,” is estate property and may be brought only by the bankruptcy trustee (or, as is often the case, a debtor in possession). *Id.* at 282 (quoting *Emoral*, 740 F.3d at 879).

49. Though *Emoral* and its progeny establish that several kinds of claims against a debtor’s non-debtor shareholder can constitute property of the estate, it is far from a bright line rule that all such claims do. *Emoral* quoted with approval in *Foodtown*, which is instructive because in that case the Third Circuit rejected the argument that a veil piercing or *alter ego* claim brought by a pension fund against a debtor’s affiliates for missed withdrawal liability payments was an estate claim. The court explained that the injury was not insolvency stemming from the nondebtors’ actions but “the injury is the [nondebtors’s] evasion of withdrawal liability.” *Foodtown*, 296 F.3d at 170.

50. As explained above, Delaware courts clearly permit individual creditors to assert veil piercing as direct claims. Under Delaware law, veil piercing applies “in the interest of justice, when such matters as fraud, contravention of law or contract, public wrong, or where equitable consideration among members of the corporation require it, are involved.” *Pauley Petroleum Inc. v. Cont’l Oil Co.*, 239 A.2d 629, 633 (Del. Ch. 1968). Moreover, Delaware courts have underscored that “[a]cts intended to leave a debtor judgment proof are sufficient to show fraud and injustice” for veil piercing claims brought by individual judgment creditors. *Manichaeian*, 251 A.3d at 708–709. Thus, while piercing the corporate veil is reserved for exceptional

circumstances, Delaware is not an outlier on an unusually stringent test.⁴³ Further, given that the New York Court already found fraud committed by representatives of the Debtor who also are representatives of CSCECH, there is certainly a strong record to suggest that Delaware law will be satisfied.

51. Delaware courts will look to the following factors in evaluating a veil piercing claim: ““(1) whether the company was adequately capitalized for the undertaking; (2) whether the company was solvent; (3) whether corporate formalities were observed; (4) whether the dominant shareholder siphoned company funds; and (5) whether, in general, the company simply functioned as a facade for the dominant shareholder.”” *Cleveland-Cliffs Burns Harbor LLC v. Boomerang Tube, LLC*, 2023 WL 5688392, at *5 (Del. Ch. Sept. 5, 2023) (quoting *Manichaeen*, 251 A.3d at 706). In conducting this analysis, “[n]o single factor is dispositive. Rather, ‘[a]n ultimate decision regarding veil-piercing is largely based on some combination of these factors, in addition to ‘an overall element of injustice or unfairness.’”” *Id.* (internal citations omitted).

52. This analysis is similar to the Third Circuit’s approach in *Foodtown*,⁴⁴ holding that “a plaintiff must show that: (1) one corporation is organized and operated as to make it a mere instrumentality of another corporation; and (2) the dominant corporation is using the subservient corporation to perpetuate fraud, to accomplish injustice, or to circumvent the law.” *Foodtown*, 296 F.3d. at 171. Factors courts consider include gross undercapitalization; failure to observe corporate formalities; non-payment of dividends; insolvency of the debtor at the time; siphoning of funds by the dominant stockholder; non-functioning of other officers and directors; absence of

⁴³ The Committee Report cites *Marnari S.p.A. v. Keehan*, 900 F. Supp.2d 377 (D. Del. 2012), to support the proposition that “Delaware is widely regarded as one of the most difficult states in which to bring this type of claim,” Committee Report at 59, but *Marnari* itself does not comment on Delaware being more or less than difficult. The report also cites *Pearson v. Component Tech. Corp.*, 247 F.3d 471 (3d Cir. 2001), even though this case concerned the appropriate test for WARN liability and the Third Circuit pointedly did not adopt any state alter ego test but instead validated Department of Labor regulations.

⁴⁴ *Foodtown* applied New Jersey law.

corporate records; and the fact that the corporation is merely a façade for the operations of the dominant stockholder. *Id.* at 172.

53. Here, BMLP believes that after the commencement of the New York Action, CSCECH used its control over the Debtor to shift assets, deprive the Debtor of corporate opportunities, and starve the Debtor of liquidity, *exclusively* to ensure that BMLP lacked a means to satisfy any judgment it obtained. In other words, CSCECH's misconduct was, as the decision in the New York Action loomed, directed to harm *only* BMLP as BMLP (not all creditors of the Debtor) pursued a massive judgment. Thus, the proper outcome is that because Delaware firmly recognizes an individual creditor's right to assert veil piecing directly when it asserts particularized injury, including in circumstances where a parent abused the corporate form by diverting assets of its subsidiary or intentionally undermining the ability to pay a creditor, BMLP holds direct claims against CSCECH for such conduct.

54. In this regard, the misconduct is similar to what non-debtor affiliates of the *Foodtown* debtor did and analogous to the misconduct in *Manichaeen*. In *Manichaeen*, the court acknowledged that "corporate veil-piercing is necessary and appropriate" in exceptional cases, finding that the Defendant's undercapitalization of an entity, the "lack of corporate separateness," and "subsequent attempts to divert funds away" from that entity "provide ample bases to pierce" the corporate veil. *Manichaeen*, 251 A.3d at 706; *see also Gadsden v. Home Pres. Co.*, 2004 WL 485468, at *6 (Del. Ch. Feb. 20, 2004) ("to uphold the corporate status of Home Preservation in these circumstances would be tantamount to blessing a scheme for business owners to defraud creditors routinely. If ever there were a case where the interests of justice

justify piercing the corporate veil, this is it.”). Indeed, in *Manichaeen* (as here) it was the effort to divert funds to avoid payment of the judgment that supported veil piercing. 251 A.3d at 708–09.⁴⁵

55. A court in this District recently discussed successor liability claims as estate claims in *In re Whittaker Clark & Daniels*, 663 B.R. 1 (Bankr. D.N.J. 2024). The court distinguished general claims from direct claims by noting that a general claim inures to the benefit of all creditors by enlarging the estate so only the trustee has authority to bring it, whereas a direct claim is particularized to an individual creditor, who then would have authority to bring it. Judge Kaplan held that various types of successor liability claims were general claims because “by their very nature, as they seek to hold non-debtor entities indirectly liable for the Debtors’ tort liabilities, rather than remedy a harm that a Tort Claimant or creditor can directly trace to a non-debtor third party.” *Id.* at 13. But *Whittaker Clark* did not address Delaware law on a creditor asserting veil piercing; instead, citing a New York state court decision on successor liability when a party purchases the assets of a tortfeasor. *See id.* (citing *MBIA Ins. Corp. v. Countrywide Home Loans, Inc.*, 40 Misc. 3d 643, 677, 965 N.Y.S.2d 284, 311 (Sup. Ct. 2013)). Hence, *Whittaker* does not foreclose the principle that under Delaware law BMLP as a judgment creditor can pierce the Debtor’s veil to hold CSCECH liable for the Judgment.

B. BMLP should be granted limited relief from the automatic stay to pursue claims against CSCECH.

56. Even though BMLP holds direct claims against CSCECH, the Debtor may argue that proceeding against CSCECH as a post-Judgment remedy is a continuation of an action against the Debtor. That argument is plainly wrong. The anticipated proceeding is a new action that New York law affords to a judgment creditor. But to avoid any argument that proceeding against CSCECH on account of its direct claims violates the automatic stay and without conceding the

⁴⁵ While the Special Committee made it clear it views alter ego as difficult to establish under Delaware law, it did not cite either *Manichaeen* or *Gadsden*.

automatic stay even applies, BMLP seeks to the extent necessary, a “comfort order” that the automatic stay does not apply or, if it does, limited relief from the automatic stay.

57. Bankruptcy Code section 362(d) provides: “[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay—(1) for cause, including the lack of adequate protection of an interest in property of such party in interest”. 11 U.S.C. § 362(d).

58. BMLP easily demonstrates cause.⁴⁶ Here, BMLP seeks to proceed on its own claims against a non-debtor. The Special Committee [REDACTED] and, thus, BMLP has easily satisfied its burden of showing a “slight” probability of success. *See In re Cont’l Airlines, Inc.*, 152 B.R. 420, 426 (D. Del. 1993). What’s more, recovery by BMLP only benefits the estate and its (few other) creditors because, if BMLP is successful, it would reduce BMLP’s judgment claim against the Debtor, freeing up more funds for others.⁴⁷ BMLP does *not* seek to affect any rights of the Debtor seeking appellate review of the Judgment. At most, the Debtor may face some discovery, though the vast majority of any such discovery likely has already been gathered up if the Special Committee actually undertook a thorough investigation. And the Debtor’s estate would not be prejudiced if BMLP pursued its direct alter ego claims because the estate could move forward with its reorganization process in parallel.

⁴⁶ In the Third Circuit, courts look to the three-pronged *Rexene* balancing test: (1) whether the movant has some probability of prevailing on the merits; (2) prejudice suffered by the debtor and the estate if the stay is lifted; and (3) the balancing of hardships between the parties. *In re Rexene Prods. Co.*, 141 B.R. 574, 576 (Bankr. D. Del. 1992) (citation omitted)

⁴⁷ This circumstance is analogous to bankruptcy courts granting relief from stay for a personal injury claimant to proceed nominally against a debtor to the extent of insurance. *See Int’l Bus. Machs. v. Fernstrom & Van Co. Matter of Fernstrom & Van Co.*, 938 F.2d 731 (7th Cir. 1991). Indeed, “cause” is stronger here because the liability of the debtor has already been established and all that is occurring is seeking to hold a non-debtor liable.

C. This Court should grant derivative standing to BMLP to pursue alter ego/veil piercing claims belonging to the estate.

59. As explained above, BMLP holds direct veil piercing claims against CSCECH to hold CSCECH responsible for the Judgment, thus benefitting the Debtor by reducing a claim that would otherwise be asserted against it. But the Special Committee has stated that [REDACTED]

[REDACTED] And, when pressed by BMLP to use that conclusion to make a demand on CSCECH to resolve *all* claims, the Special Committee, on behalf of the Debtor, [REDACTED] Instead, as reported to this Court on August 7, 2025, the Debtor seems insistent on a “toggle” plan that gifts to CSCECH the right to be a stalking horse bidder to buy claims against itself and then only to release such claims.

60. This Court, of course, should not be dragged into the Debtor’s strategy for a patently unfair outcome that subverts the underlying public policy of chapter 11 case. To protect the integrity of this proceeding, BMLP believes the most appropriate outcome is for it to pursue CSCECH on all forms of veil piercing/alter ego. Thus, in addition to confirming that BMLP has direct claims that are not property of the Debtor’s estate, BMLP requests that this Court grant derivative standing for any remaining estate veil piercing/alter ego claims against CSCECH. Given the Special Committee [REDACTED]

[REDACTED], there is no legal basis to deny this requested relief.

61. “The practice of authorizing the prosecution of actions on behalf of an estate by committees, and even by individual creditors, upon a showing that such is in the interests of the estate, is one of long standing, and nearly universally recognized.” *Adelphia Commc’ns Corp. v. Bank of Am. N.A. (In re Adelphia Commc’ns Corp.)*, 330 B.R. 364, 373 (Bankr. S.D.N.Y. 2004). The Third Circuit endorsed this practice in the seminal *Cybergenics* case, ruling *en banc* that courts may grant standing to parties-in-interest to prosecute claims on behalf of a debtor’s estate.

Cybergenics, 330 F.3d at 568 (recognizing that a “straightforward application” of a bankruptcy court’s equitable powers allows for the grant of standing upon creditors’ committees to assert causes of action on behalf of, and for the benefit of, the debtor’s estate).

62. Such standing is not reserved only for official committees; individual creditors also may be afforded standing to sue on behalf of a chapter 11 estate. *See, e.g., In re Yes! Ent. Corp.*, 316 B.R. 141, 145 (D. Del. 2004) (bankruptcy court, as a court of equity, has the power to authorize a creditor to sue to recover property for the benefit of the estate); *In re Trailer Source Inc.*, 555 F.3d 231, 240–42 (6th Cir. 2009) (citing the text and statutory history of section 503(b)(3)(B) to support its conclusion that “creditors, with court authorization, may pursue claims on behalf of bankrupt debtors”); *In re Housecraft Indus., USA*, 310 F.3d 64, 71 n.7 (2d Cir. 2002) (noting that “[n]umerous courts have granted individual creditors standing to sue in the stead of a trustee or debtor-in-possession”).

63. Standing to pursue claims on behalf of the estate should be conferred upon a creditor when (1) a colorable claim exists that (2) the debtor-in-possession has unjustifiably refused to pursue (or, alternatively, where demand that the debtor pursue the claim would be futile) and (3) the bankruptcy court has authorized the creditor to initiate the action. *See Yes! Ent.*, 316 B.R. at 145.

64. The Special Committee unambiguously acknowledges that [REDACTED]

[REDACTED] Thus, the first element is satisfied.

65. While the Special Committee added that [REDACTED]
[REDACTED], that concern carries no weight here. BMLP represents 99% of the beneficiaries of any such claims and is prepared to proceed, at its own expense, on the basis that it believes such claims are colorable. Thus, the concern of [REDACTED]
[REDACTED] is nonexistent.

66. There is no point in further demanding the Debtor proceed against its own parent to hold CSCECH liable for the Judgment. The Debtor is actively litigating against the Judgment—including the determinations of veil piercing therein—and it is reasonable to expect for it not to suddenly reverse course. Moreover, putting aside the Special Committee’s [REDACTED], the Debtor has not once indicated it believes CSCECH could be liable; to the contrary, CCA has refused to accept that there has been any abuse of the corporate form and maintained that investigating dealings with its affiliates is “inappropriate.”⁴⁸ The Debtor also did not disclose in its schedules of assets and liabilities that it holds any veil piercing claim against its parent company or other affiliates.

67. Nor need any demand be made of the Special Committee, whose report makes the conclusory assertion that [REDACTED]. But the Special Committee’s doubt can hardly be serious. A New York court, following discovery and a bench trial, already pierced the corporate veil of the Debtor’s affiliates, finding substantial evidence that easily overcame the general reluctance of courts to disregard the corporate form. Recovery on a successful alter ego estate claim against CSCECH will include not only \$1.6 billion for the judgment but also 9% per annum up through final collection, thereby relieving the Debtor of its obligation. The Special Committee’s purported concerns about [REDACTED] can thus easily be put to rest given the staggeringly lopsided cost-benefit analysis.

68. In any event, BMLP did request that the Special Committee make a settlement demand on CSCECH that would resolve all claims, pointing out that the Special Committee had

⁴⁸ See Docket No. 120 pp. 28–29.

[REDACTED]. No Debtor representative has agreed with BMLP to even make a demand on CSCECH.

69. Any further demand would be futile. This Court can and should grant derivative standing.

70. In the same vein, BMLP should be granted settlement authority over any claims that it has derivative standing to assert. BMLP already has exclusive settlement authority over its direct claims.

RESERVATION OF RIGHTS

71. BMLP reserves its right to seek authority to commence and prosecute any other claims or causes of action on behalf of the Debtor's estate.

NOTICE

72. Notice of the Motion has been provided to: (a) counsel for the Debtor (Debevoise & Plimpton LLP, Attn: M. Natasha Labovitz, Esq., Sidney P. Levinson, Esq., Elie J. Worenklein, Esq., and Rory B. Heller, Esq., and Cole Schotz P.C., Attn: Michael D. Sirota, Esq., Warren A. Usatine, Esq., Felice R. Yudkin, Esq., and Ryan T. Jereck, Esq.); (b) the Office of the U.S. Trustee for the District of New Jersey (Attn: Fran B. Steele, Esq. and Peter J. D'Auria, Esq.); (c) counsel for the DIP Lender (Lowenstein Sandler LLP, Attn: Jeffrey Cohen, Esq., Michael Kaplan, Esq. and Andrew Behlmann, Esq.); via first class mail, postage pre-paid and via electronic mail and (d) any party that has requested notice pursuant to Bankruptcy Rule 2002 electronically via the Court's CM/ECF system. Accordingly, no further notice of the Motion is necessary.

WAIVER OF MEMORANDUM OF LAW

73. BMLP respectfully requests that the Court waive the requirement to file a separate memorandum of law pursuant to Rule 9013-1(a)(3) of the Local Rules for the United States

Bankruptcy Court for the District of New Jersey because the legal bases upon which BMLP relies are set forth herein.

NO PRIOR REQUEST

74. No prior request for the relief sought herein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, BMLP respectfully requests the Court approve the Motion and enter the Proposed Order.

Dated: August 25, 2025
Newark, New Jersey

GIBBONS P.C.

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EXHIBIT A

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Counsel for BML Properties, Ltd.

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

In re:

CCA Construction, Inc.,¹

Debtor.

(Hon. Christine M. Gravelle)

Chapter 11

Case No. 24-22548-CMG

**ORDER (A) CONFIRMING DIRECT CLAIMS AGAINST CSCEC
HOLDING COMPANY, INC., (B) GRANTING LIMITED RELIEF FROM
THE AUTOMATIC STAY TO PURSUE POST-JUDGMENT RELIEF IN NEW
YORK STATE COURT OR OTHER APPROPRIATE FORUM, (C) GRANTING
DERIVATIVE STANDING TO PURSUE ESTATE ALTER EGO CLAIMS AGAINST
CSCEC HOLDING COMPANY, INC., AND (D) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through three (3), is hereby

ORDERED.

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

Page 2 of 3

Debtor: CCA Construction, Inc.

Case No.: 24-22548 (CMG)

Order: *Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief*

Upon the *Motion of BML Properties, Ltd. for Entry of an Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief* (the “Motion”);² and upon the Malone Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference* from 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 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 notice of the Motion was appropriate under the circumstances and no other notice need be provided; and upon the record of the hearing on the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish cause for the relief set forth herein; and the Court having found that BMLP holds direct veil piercing claims against the Debtor’s parent company, CSCECH, and any such claims do not constitute property of the Debtor’s estate under section 541(a) of the Bankruptcy Code; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

² Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

Page 3 of 3

Debtor: CCA Construction, Inc.

Case No.: 24-22548 (CMG)

Order: *Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief*

ORDERED:

1. The Motion is **GRANTED** as set forth herein.
2. To the extent applicable, the automatic stay, pursuant to section 362 of the Bankruptcy Code, is modified to permit BMLP to proceed with post-judgment relief against non-debtor CSCECH in the State Court Post-Judgment Proceeding or other appropriate forum.
3. BMLP is hereby granted derivative standing and authority to prosecute any *alter ego*, veil piercing or other successor liability claims of the Debtor's estate against CSCECH in connection with the State Court Post-Judgment Proceeding or any other appropriate forum, and is vested with settlement authority with respect to any such claims. BMLP shall be responsible for payment of all fees and costs incurred by its professionals pursuing claims, whether such claims are direct claims or estate claims.
4. BMLP is authorized and empowered to take all actions as may be necessary and appropriate to implement the terms of this Order.
5. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the interpretation, implementation, or enforcement of this Order.
6. Nothing herein limits the Debtor's estate rights, if any, in connection with appealing the Judgment entered in favor of BMLP and against the Debtor. In the event that the Judgment is reversed and it is finally determined that BMLP holds no claim against the Debtor, paragraph 3 of this Order is deemed null and void and BMLP shall take any and all steps to relinquish derivative standing.

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Counsel to BML Properties, Ltd.

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

In re:

CCA Construction, Inc.,¹

Debtor.

(Hon. Christine M. Gravelle)

Chapter 11

Case No. 24-22548 (CMG)

**NOTICE OF MOTION OF BML PROPERTIES, LTD. FOR ENTRY
OF AN ORDER (A) CONFIRMING DIRECT CLAIMS AGAINST CSCEC
HOLDING COMPANY, INC., (B) GRANTING LIMITED RELIEF FROM THE
AUTOMATIC STAY TO PURSUE POST-JUDGMENT RELIEF IN NEW YORK STATE
COURT OR OTHER APPROPRIATE FORUM, (C) GRANTING DERIVATIVE
STANDING TO PURSUE ESTATE ALTER EGO CLAIMS AGAINST CSCEC
HOLDING COMPANY, INC., AND (D) GRANTING RELATED RELIEF**

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

PLEASE TAKE NOTICE that BML Properties, Ltd. (“BMLP”) filed the *Motion of BML Properties, Ltd. for Entry of an Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the relief sought in the Motion will be held on **September 15, 2025 at 10:00 a.m. (ET)** before the Honorable Christine M. Gravelle, United States Bankruptcy Court for the District of New Jersey, at the Clarkson S. Fisher United States Courthouse, 402 East State Street, Second Floor, Courtroom No. 3, Trenton, New Jersey 08608.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the Motion shall: (i) be in writing; (ii) set forth the specific basis thereof; (iii) be filed with the Clerk of the Bankruptcy Court; and (iv) be served upon the BMLP’s undersigned counsel, together with proof of service thereof, so as to be actually received no later than **September 8, 2025** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that unless a response or objection is timely filed and served in accordance with this notice, it may not be considered by the Bankruptcy Court. In the event no objections are filed and served by the Objection Deadline, the relief requested in the Motion may be granted without a hearing.

PLEASE TAKE FURTHER NOTICE that BMLP has submitted a proposed form of order herewith. Oral argument is requested in the event an objection is timely filed.

**IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE
BANKRUPTCY COURT MAY GRANT THE MOTION WITHOUT FURTHER NOTICE
OR HEARING.**

Dated: August 15, 2025
Newark, New Jersey

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