UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

IN RE:	.	Case No. 25-15343-MBK
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	.	
CBRM REALTY INC.,	.	
	.	
	.	402 East State Street
	.	Trenton, NJ 08608
Debtor.	.	
	.	June 2, 2025
. . . . .	.	1:00 a.m.

TRANSCRIPT OF CONTINUED FIRST DAY MOTIONS
BEFORE HONORABLE MICHAEL B. KAPLAN
UNITED STATES BANKRUPTCY COURT CHIEF JUDGE

TELEPHONIC APPEARANCES:

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THE COURT: Okay. Good morning, everyone -- or good afternoon. It's morning where I am, but good afternoon. Hope everyone is doing well. As this is a remote hearing, I'll ask you all to make sure you use the raise-hand function to be heard. I'll call upon you.

I assume you all can hear me. Everybody give me a thumbs up. Yep, there.

MR. PESCE: Yes, Your Honor.

THE COURT: You just never know. All right.

So we are going to hear the CBRM, *et al.*, matters. My understanding from looking at the agenda that was filed is that there are essentially three matters on for the calendar. Let me turn to debtor's counsel.

Good afternoon, Mr. Pesce.

MR. PESCE: Thank you, Your Honor. Gregory Pesce, White & Case. Can you hear me okay?

THE COURT: Yes, I can.

MR. PESCE: All right. Thank you for making time during your trip here and for your time here today remotely. There's three things that are up for approval today.

THE COURT: I'm having a little trouble --

MR. PESCE: Think the main -- the main --

THE COURT: Mr. Pesce, I'm having a little trouble. I'm getting feedback. I don't know if others can hear it, as well. I don't know if it's because you're using a phone plus

an iPad or --

MR. PESCE: Let me -- just bear with me for one second here.

THE COURT: Sure.

MR. PESCE: Is that any better, Your Honor?

THE COURT: That's works.

MR. PESCE: Right. All right.

THE COURT: I appreciate it. Thank you.

MR. PESCE: Thank you. Sorry for that.

So we've three things on the agenda today. The main attraction, so to speak, is the DIP motion. We -- when we were before you for our first -- I guess our first, first day hearing, we had a number of operational matters up and then we also talked to you about the case. We let you know then that we had two different DIP facilities in process and underway. Those two DIP facilities have now been formalized and finalized. In short, the debtors basically have two sets of assets. One is a property near Pittsburgh called Kelly Hamilton, so yours refer to the Kelly Hamilton property. That's the one in Pennsylvania.

Separately, we have four different properties in and around the city of New Orleans, Louisiana. Those are what we call the Nola properties or the New Orleans properties. The structure here is quite complex. As I mentioned at the first day hearing, Crown Capital, one of the lead debtors, issued

notes. For complicated reasons, those notes were issued by one or more of the New Orleans entities, even those -- even though those entities were historically owned by Mr. Silber, the founder of the company that I mentioned at the first day hearing. As Mr. Antonoff might mention in connection with the motion to dismiss that has been filed, the current ownership of those entities is a matter of some -- you know, some controversy and I imagine in the near future we're going to have a hearing to deal with the motion to dismiss in those related issue.

In a nutshell, though, the two DIP facilities would provide 17 million dollars of new money. There's also a roll-up for one of them and a refinancing for one of them. Those two facilities are critically important, as you can imagine, for the company to continue to operate, run the restructuring, provide tenants with safe housing and the like. So that's the main attraction.

The two other matters that we have are the -- are notice and claims agent motion for Verita. That was filed originally at docket number 37. We filed a new order at docket number 97.

And then finally, at the first day hearing we had deferred the -- one of our operational motions. We're continuing to work with the United States Trustee to provide some information regarding that. We would like to go forward

today, though, with one aspect of it, which is ensuring that our tenant reimbursement obligations, so those are the amounts that the company, the property basically reimburses tenants or sets off their rent obligations because it's a low-income housing project. We'd like to get that approved at a relatively *de minimis* number.

So I think, you know, in order of, you know, ease, it's probably easiest for us to deal with the Verita claims agent matter and then the one specific piece of the reimbursement motion and then turn to the DIP facility, because I don't know, it might be a bit more complicated, but I'm happy to proceed in whatever order Your Honor sees the most efficient.

THE COURT: Let's knock off the easier ones. Kurtzman Carson, the noticing agent. You want to deal with that?

MR. PESCE: (No audible response.)

THE COURT: Mr. Pesce?

MR. PESCE: Yeah.

THE COURT: Okay.

MR. PESCE: Sorry. You froze up there for a second, Your Honor. All right. So we'll start with the Verita motion.

So as I mentioned, we're seeking to hire Verita, formerly known as KCC, as our noticing claims agent. We filed that at docket number 37 originally. We appreciate Mr. Jeffrey

Sponder from the United States Trustee programs help with us there. We filed a new form of order for that one at docket number 97 that makes a variety of clarifying changes requested by the United States Trustee. A bunch of those changes, in a nutshell, are predicated on the fact that, as I mentioned, the first day hearing company doesn't have access to commercial banks because of Mr. Silber's, you know, technical ownership interest in the company. Our noticing claims agent helped facilitate us opening a new series of bank accounts at Western Alliance Bank and those changes are intended to address that matter.

THE COURT: All right. Mr. Sponder, do you wish to be heard?

MR. SPONDER: Thank you, Your Honor. Jeff Sponder from the Office of the United States Trustee.

Your Honor, we did review the application to retain Verita provided various comments and revisions, all of which have been incorporated in the most recent order that was filed on the docket. So I would just assume that debtor's counsel is going to forward that to chambers and if there are no changes, the United States Trustee no longer has any objections or any other revisions. Thank you, Your Honor.

THE COURT: All right. Thank you, Mr. Sponder.

Is there anyone else who wishes to be heard on this matter?

(No response.)

Then I'm going to mark the application granted, order to be submitted.

MR. PESCE: Thank you, Your Honor. So turning to the next topic on the agenda, as I mentioned at the first day hearing we had sort of a consolidated operational motion filed at docket number 37. We deferred it after that hearing to address some questions that Mr. Sponder has raised to us.

The one piece we would like to go forward on today is a portion relating to tenant reimbursements. As I mentioned a few minutes ago, the tenants effectively are reimbursed by the property for a portion of their rental obligations. We essentially get money from the Government or other public service organizations to pay rent on behalf of the tenants and then we pay -- we effectively pay the tenants or net off their rental obligations.

There's around $70,000 of pre-bankruptcy tenant reimbursement obligations that are outstanding that will be -- or owing or will become owing prior to June 16th when we have our second day hearing -- our official second day hearing, I guess I should say, for the final orders. We'd like to submit the order to permit us to take that one small piece. At the next hearing or at another date we will deal with the property taxes, insurance and vendor aspects of that motion, which we are not having heard today.

THE COURT: All right. So in essence, these funds don't necessarily equitably belong to the debtor, correct? They go back to the tenants after --

MR. PESCE: Correct.

THE COURT: -- the Government has paid.

Mr. Sponder, are -- do you have any concerns with this small portion?

MR. SPONDER: Thank you, Your Honor. Jeff Sponder from the Office of the United States Trustee.

Your Honor, first, the United States Trustee was not aware that the debtor would be going forward with any part of this motion until filing of the notice of agenda earlier today, which I had a chance to look at probably about 15 minutes prior to the hearing.

So with that said, Your Honor, we discussed at the first, first day hearing the -- this --

THE COURT: (Sneezes.)

MR. SPONDER: Bless you, Your Honor.

THE COURT: Thank you.

MR. SPONDER: The status of the committee and the like. We have sent out solicitation and we are going to conduct interviews tomorrow. I don't -- this has already gone on, you know, a week or so. I would appreciate not entering an order just yet and perhaps pushing it off to the next hearing. I do understand -- I don't totally understand the tenant

reimbursements. You know, I don't think I'm objecting as of right now, Your Honor, but it was my understanding that that whole motion was going to be heard, I thought, at the next hearing. But I think a committee should have the opportunity, if we are able to put in a committee, to take a look at it and I'm not sure anyone is harmed, unless Mr. Pesce has tenants that are jumping up and down at the property. Thank you, Your Honor.

THE COURT: Thank you, Mr. Sponder.

Let me go back to Mr. Pesce.

MR. PESCE: Yeah.

THE COURT: Because I am concerned given the nature of the tenants. In depressed real estate areas these dollars can be important and overall the scheme of this case, $70,000 is not going to be a factor.

Mr. Pesce?

MR. PESCE: Yeah, that's exactly right. Effectively, these tenants are sort of in limbo because we're not setting off their rent, so we'd like to basically give them the -- make -- taking a step back, when you live in an affordable housing project, it's not like a -- in other real estate situations. You sort of -- your utilities or rents are sort of one or both are paid effectively on your behalf and we hold that money to pay those amounts.

We are supposed to basically advance or set off

basically $70,000 of those obligations. We'd like to do that. The whole -- we were deferring, I should say, any employee issues, any taxes, any property taxes, which were, you know, I think over a million dollars in the original motion. So if -- we'd like to get at least this done. If -- and because the tenants are, you know, they are where the properties are in bankruptcy and we are getting a lot of calls to make sure that the -- their -- the thing they care most about, which is like are they getting their reimbursements and are they -- is their rent and utilities being paid, we'd like to at least get that squared away.

If a committee has questions, if one is seated, you know, we can obviously -- we have a portion that would still be due for the final hearing. That portion will be deferred, as will all the other portions of the motion.

THE COURT: Thank you, Mr. Pesce.

I appreciate the concerns of the U.S. T, especially with the committee having yet to be formed. My concern is, frankly, the cost to the professionals and to the estate to address the tenant concerns will outweigh the dollars that we're talking about here.

So I'm going to grant limited the -- limited relief to authorize the reimbursements in advance of the final hearing and I'll ask that you submit an order.

MR. PESCE: Sure. We'll share that with Mr. Sponder

and the other major -- and the lenders and whatnot after the hearing and send that in.

THE COURT: All right.

MR. PESCE: All right. So that takes us to the main portion of the hearing today. We scheduled this hearing, you know, given all of the scheduling issues here, you know, designed to be an uncontested hearing. There is one actual -- or there's one live objection that, you know, is not capable of resolution today, which I can address in a moment.

But we've also spent quite a bit of time over the last week with a number of other parties, including Mr. Sponder including over the weekend for which we have regret interfering with over his weekend in particular, but also with our bondholder group, with UBS O'Connor, which is one of our prepetition purportedly secured creditors, with our *ad hoc* noteholder group represented by Mr. Millar at the Faegre law firm, and as well as two different DIP lenders. So there's quite a bit of moving pieces here.

Like I said, Mr. Antonoff on behalf of one of our other prepetition purported secured creditors has objected. I'll turn to that in a moment, but let me sort of address the financing and the different accommodations that we're working out here. I'll let the other parties speak for themselves, but I can represent that I think either the objections are, in fact, completely resolved or with a little bit of time today to

flip through the pages, I think will be substantially resolved, save for maybe a few bespoke issues.

But like I said, in a nutshell the debtors have spent the better part of a year looking for capital here. It was impossible to get capital because of the ownership structure, which is, as you can imagine, you know, filling out a mortgage application or opening a bank account. Listing yourself as a convicted felon is quite an impediment to getting people to lend you money.

In addition, given the overlay of the, you know, criminal justice proceedings that are ongoing involving Mr. Silber and one of his co-defendants, there was questions about whether the United States Government would seek forfeiture or restitution involving the debtor's assets. And as you can imagine, a lender is not interest in sort of lending money with the risk that that money would sort of be pulled back as a forfeiture or the company would have to liquidate assets to satisfy a judgment of a -- you know, of an individual who's pled guilty to federal offenses involving, to be clear, another property.

So at Ms. LaPuma, independent fiduciary's direction, White & Case, along with Island Dundon, which is a joint venture between Island Capital and Dundon Advisors, have been working to find capital for the properties. In a future date, we hope that other properties will be brought into the mix here

to expand the value provided to the bondholders, who sit at the top of the structure.

Standing here today, we have two capital solutions. So first, the Kelly Hamilton Homes project in Pittsburgh, Pennsylvania. Prepetition it had roughly three-and-a-half-million dollars of term debt with an affiliate of its asset manager and its property manager. So, in other words, the organization, Lynd Living, which is one of the nation's best known affordable home operators, was providing the books and records back office support for the property or asset management, and then it was also acting as the property manager for the property.

The comp -- the project needed financing in the fall of 2024. The Lynd organization provided a term loan of roughly three-and-a-half-million dollars at that time. That term loan is -- basically depleted that amount of money, which was supposed to be sort of a short-term bridge solution. The Lynd organization, it has partnered with REIT 3650, which is one of the nation's leading real estate developers, to now provide capital for the Kelly Hamilton project. It's roughly a nine million-dollar DIP facility that we're seeking approval of today. Roughly three-and-a-half-million dollars of that will be used to refinance the existing term loan that the Lynd organization had provided and that will be retired at the closing of the DIP facility.

The rest of the funding will go towards capital expenditures for the property, paying professional fees, and then importantly, getting $473,000 to start to develop causes of actions against Mr. Silber and the -- and one of his various -- his other co-defendants or potential co-defendants.

So in other words, it's sort of a down payment on the future Chapter 11 plan that will be filed here. So, in a nutshell, on the Kelly Hamilton side we have REIT 3650 that is the main capital provider partnering with our existing asset manger and property manager, the Lynd organization, through its affiliates to refinance that loan and then provide for funding for the bankruptcy case. So that's the Kelly Hamilton project.

Separately, in -- we have the New Orleans debtors. The New Orleans debtors prepetition had a number of different obligations. The challenges with the New Orleans properties were even more complex than on the Kelly Hamilton side because like Kelly Hamilton, you have the issue that the ownership exchange runs up to Mark Silber, you know, who has now pled guilty to federal crimes.

In addition, for complicated reasons, the prepetition lender to that property effectively had a guarantee of another credit facility for another project that is non-Chapter 11. It's called Bankwell. It's in the Pittsburgh area. They had effectively recoursed to the New Orleans property to the extent their guarantee of this other unrelated Pittsburgh property was

called.

So in essence, the New Oceans properties were sort of in limbo because of the concern that the bank to the Bankwell properties located in Pittsburgh would sort of call their guarantee against the lender and that lender would then have recourse to the New Orleans properties. In addition, the properties also had from that same lender, an affiliate thereof, their own mortgage debt.

And then finally, and this relates to Mr. Antonoff's client, you know, in the last couple of months a mortgage was placed on one of the New Orleans properties called Lakewind. The debtors dispute. They think that that mortgage was placed there improperly. That'll be an issue for another day. So when you kind of mix that stew together in the witch's caldron here, you have, you know, just an insurmountable number of issues related to the organizational structure and in the existing capital structure.

So once we had reached terms on the Kelly Hamilton financing, the number of parties came out of the -- into the mix to try to provide a solution for the New Orleans properties, which are widely viewed as the most valuable, if not one of the most valuable in the Crown portfolio. Through those efforts we were able to reach an agreement with CK -- affiliated entities called CKD. It's like Charlie Kenneth Daniel, CKD. And DH1. That's like David Harry, number one.

They're two affiliated financial organiza -- or investors. They are -- they are the prepetition lenders at the top of the structure in New Orleans. They have agreed to provide roughly eight million dollars of new financing and in conjunction with that would be rolling up their prepetition -- portion of their prepetition debt at the property.

In addition, we'll be also dealing with this contingent guarantee issue that I mentioned a few minutes ago. The roll-up is roughly on a one-to-one basis for new money to the -- to the prepetition that is being rolled up, and then we'll have an additional roll-up and additional funding at the final hearing.

The New Orleans side of the house has, you know, a number of other constituents that we worked very hard to resolve our issues with. So again, I'll give kudos to Mr. Sponder for letting us burden him over the weekend and I think we are exceptionally close to being -- to totally resolving his issues, but I'll -- we'll run through those with him later and deal with that.

Separate and apart from that, we spent a significant amount of time dealing with the objections of an organization called O'Connor Capital, which is a subsidiary of the -- for the time being, subsidiary of UBS. O'Connor made a prepetition loan to Mr. Silber. Mr. Silber apparently defaulted on that loan and the UBS O'Connor organization has been pursuing

litigation against him.

By virtue of that litigation, they have a claim against the CBRM entity on the one side of the house and maybe a residual economic interest holder on the New Orleans side, because any value of those properties would flow up to Mr. Silber and, in their estimation, flow to UBS O'Connor. That's sort of his largest or one of his largest creditors.

The involvement of the UBS O'Connor team, which is represented by Andrew Sherman of the Sills Cummis firm and Adam Rogoff of Kramer & Levin, for which we are very appreciative, we were able to reach an accommodation to resolve a potential objection there, which I can detail. So to get the DH1 loan done, in essence we have to deal with not only that lender, but also to deal with UBS O'Connor and, of course, Mr. Sponder's office.

You know, in terms of where we are to try to get this done, this is -- you're obviously -- we're all remote today. We're not in Trenton or Camden or Newark, so we're trying to make this as consensual as possible. I think we're sort of cutting through it. To the extent Mr. Sponder's issues with the -- you know, issues are resolved on the Kelly Hamilton side, I think the Kelly Hamilton loan is uncontested and we should be able to have the order hopefully entered once we run through those changes that Mr. Sponder had asked for.

On the New Orleans side, we have an agreement with

the UBS O'Connor folks to resolve their issues. In short, we're going to defer some of the funding at the interim hearing to a later date and we're going to clarify that the CBRM entity is not a borrower and that the lien of Crown Capital -- well, lien against Crown Capital, that is, for purposes of the DIP, is junior. So we have an agreement with them.

And then so setting aside the U.S. Trustee issue, I think the only main issue here is really sort of a sneak preview to a forthcoming motion to dismiss one of the bankruptcy cases. So the one live objection for today is the -- is from CIF, Cleveland International Fund. Cleveland International Fund is one of the creditors to -- there's four New Orleans properties. It's one of the creditors. It's a creditor to one of them called Lakewind.

In short, you know, the debtor's position -- all the parties will have to speak -- you know, will have their own views. In the debtor's view, there's nothing that sort of prevents this facility from being approved today. Your Honor will have a hearing or trial on motion -- a motion to dismiss the Lakewind debtor. So that's one debtor out of the roughly ten that filed. We'll have a hearing to dismiss that debtor on the grounds of whether Ms. LaPuma had corporate authority to file the case or not.

And at that time, you know, the parties' rights are whatever the parties' rights are and Your Honor can craft a

remedy, if any is necessary, to deal with any kind of financing that is provided in the interim. But standing here today, the property does need money. All the properties need money. The case needs administration paid for. And we think that the debtor's view is that we could have a -- you know, sort of defer that issue for another day. Entry of the DIP order shouldn't affect anybody's rights. It will obviously involve money going to the property but, you know, we don't think this is an issue that can't be sort of deferred and kicked down the road to a later date.

So I know that's -- for such 17 million dollars, I know you're dealing with a number of big Marquis mega cases right now. I know this is quite a complicated financing, but a lot of people went -- spent a lot of time to get it done, want to make sure you have all the context, so I'm happy at this point to take any questions Your Honor has.

THE COURT: All right. Thank you, Mr. Pesce. Just a question on the Nola properties, the financing. It's roughly eight million, because I think it totals around 17 million --

MR. PESCE: It's --

THE COURT: -- of the other kind?

MR. PESCE: Yes, that's correct.

THE COURT: And how much is going in -- you had said dollar for dollar in a roll-up in the interim. What's anticipated in the interim before a final?

MR. PESCE: The interim draw is approximately 4.6 or 4.5, 4.6 million dollars and the roll-up is almost a commensurate amount. If you'll you bear with me for just five seconds here I'll just get my notes out, but it's basically a one for one on that.

THE COURT: But of the 4.6, how much of that is going to -- is going on the prepetition loans and how much would be available?

MR. PESCE: The prepetition loan is eight or nine million dollars, so we're rolling up basically half of -- half of the loan that is going to get rolled up would get rolled up at the interim, Your Honor.

THE COURT: Okay. All right.

MR. PESCE: Yeah. So I'll just -- yeah. For the record of completeness here, so the New Orleans facility, it's 8.2 million, so $8,211,524 in the aggregate. That's the new money. $4,960,725, so 4.96 million will be available at the interim. At the final, 3.5 million will be available. We're looking for a 4.96 roll-up at the interim and then a 4 million-dollar roll-up at the final. So it's almost dollar for dollar at the roll-up and then the -- at the final it's 3.5 new money versus 4 million. In the aggregate it should bring out -- you know, the DIP facility with the roll-up and the new money would be a total of 17 -- basically 17.1 million dollars.

THE COURT: All right. Could you just bear with me?

We need to get one party, trying to get access.

MR. PESCE: Sure.

THE COURT: Becca, I'm texting you a request from the McCarter & English firm. Thank you.

MR. PESCE: Yeah. They -- yeah, McCarter represents our Kelly Hamilton lender -- or Kelly Hamilton DIP provider.

THE COURT: All right. So just to go back on the second -- on the Nola piece. Of the 4.6 million in the interim, at least from my understanding, you're not carving out amounts for case administration or the litigation trust from those funds?

MR. PESCE: Yeah. So from that 4.9 -- I'm sorry, 4.9 figure --

THE COURT: Yeah.

MR. PESCE: -- we will kick back a portion of the -- we'll kick back -- we're going to defer -- we were originally going to defer -- or original -- sorry. We were originally going to fund the entire 2.4 million dollars of professional fees. We were going to fund $250,000 to the litigation trust. Those amounts are going to be sort of held in abeyance, so to speak, under our agreement with UBS O'Connor, so $250,000 that was going to come in and be sort of segregated for the litigation trusts preparation work. That's going to be deferred.

And then separately instead of funding the full 12

weeks of -- or I'm sorry, 16 weeks of professional funding, we would be doing roughly six weeks. So from May the 19th, the amounts that are incurred from May the 19th through June the 30th because out -- you know, it's kind -- our second day hearing, final hearing is supposed to be sort of smack-dab in the middle of June.

THE COURT: All right. Let me turn to what other counsel wish to be heard.

Let me start with Mr. Sponder and then I'll turn to Mr. Antonoff.

MR. SPONDER: Thank you, Your Honor. Good afternoon again, Jeff Sponder from the Office of the United States Trustee.

Your Honor, similar to what happened in the Rite Aid case, everything is going very quickly, very fast. I don't want to get stuck like I did in the Rite Aid case with providing comments like I have and believing that most, if not all, are going to be entered to find out later that some were not. I don't want to be in that situation again.

My understanding, as I told Mr. Pesce on either Friday, Saturday or Sunday, was that if there was an objection to the motions, then the hearing would be Thursday, not today. And I advised him that we object and objected mainly with the timeline and to the fact that the Kelly Hamilton document DIP wasn't even on the order -- proposed order wasn't even on the

docket until recently.

So with that, Your Honor, we did -- the United States Trustee did provide comments to both DIP orders. I understand from Mr. Pesce that most have been, you know, agreed to, but I have not had a chance to look over any of those other redlines to confirm that.

I will note, I think there's one issue, Your Honor, that I just want to advise and that is it's one of -- it's a finding that you're going to make in both motions that Ms. LaPuma, as the independent fiduciary, has full corporate authority on -- to act on behalf and legally bind the debtor, borrowers and Kelly Hamilton. We -- the United States added in that the debtor borrowers assert that and I think that's an issue for debtor -- for the debtor and debtor's counsel. I just don't think that Your Honor is prepared or has enough information to make that finding without more information, so that's why I had originally put in that the debtor asserts it. So at least it's -- you know, there's something there, but that was on both.

I will say, Your Honor, with respect to the roll-up we did request some language that we request in other cases with roll-ups, that the -- that there's an opportunity for the Court to fashion a remedy if a challenge is successful. I'm not sure if that's included or not, but I do know that the United States Trustee did include it.

So with that said, Your Honor, we're not opposed to the entry of the DIP orders, other than just making sure that the comments that we provided are going to be included or at least give us the opportunity before a final hearing to address those with Your Honor. Thank you, Your Honor.

THE COURT: All right. Thank you, Mr. Sponder.

MR. PESCE: And I was just going to say, to the extent -- for Mr. Sponder in particular because he's -- you know, gave us significant comments, I think, you know, over 90 percent are non-controversial. There might be some word-smithing issues and then I think, you know, the DIP lender, I think their main issue is just making sure their fees can get approved subject to the review process, of course, prior to the final hearing.

You know, if it's helpful for Mr. Sponder, I mean, we could -- I don't know what Your Honor's schedule is but, you know, we could I'm sure kind of work through it and like in the afternoon or the morning or something, if need be, to kind of like give comfort on that -- in that regard, but we can find a way to make sure his comments are here. We don't want to leave him out in the cold. And obviously, it's subject to the right, him and everyone else, to object at the final hearing.

THE COURT: All right. Let me move on -- thank you, Mr. Pesce. Let me move on to Mr. Antonoff.

MR. ANTONOFF: Thank you, Your Honor. For the

record, Rick Antonoff from FisherBroyles, LLP, on behalf of the Cleveland International Fund.

Our interest in this case is limited to just the Lakewind debtor, which is one of the proposed Nola DIP borrowers. Our objection is threefold. One has to do with really the *bona fides* and validity of the CKD prepetition debt, which with any luck Mr. Sponder will be able to form a committee and they can investigate whether that was at an appropriate occurrence of debt and grant of a mortgage by Lakewind.

The second part of our concern here is adequate protection at CIF's interests in the Lakewind property is not being adequately protected at all. In fact, I was somewhat confused by the use of the -- proposed use of what I thought I heard was 4.6 million dollars under the Nola DIP facility being requested on an interim basis. It sounded like all of that was being used for the roll-up. And then at other times it sounded like maybe some of it wasn't being used for the roll-up, so I'm not sure about that.

But even on an interim basis, putting another five million dollars on top of Lakewind debt structure is far from adequate protection. It actually destroys CIS interest in the property. They should call it adequate destruction and not adequate protection.

And then finally, there's the question of our motion

to dismiss and whether Lakewind is even properly before the Court in the first instance. So we are certainly -- I have had discussions in exchanging emails with Mr. Pesce over the weekend and CIF certainly remains open to discussing a way to resolve our objection on a portion we're not able to do that before today's CRO.

And you know, I think when it comes to adequate protection, the gist of our concern is the joint and several -- proposed joint and several liability of Lakewind for the debt that's being incurred, which at final is supposed to be 17 million dollars without any demonstration of what sort of -- what value resides in the Lakewind property, whether there is currently any equity above the two mortgages that are -- that are on the property, and just without that information I don't think it would be appropriate to approve this, even on an interim basis as to Lakewind without some kind of allocation of how much of the roll-up is attributable to Lakewind and have its liability for repayment of that amount be limited to what is repaid for Lakewind's portion of the prepetition debt and allocation of how the post-petition new money will benefit Lakewind, as opposed to the four -- the four other Nola debtors.

So that's really our concern and I think in the absence of adequate protection and I don't think the continued operation of the company serves adequate protection. Certainly

the junior liens and junior administrative expense claims on the face of it, it seems like they're worthless but, again, we haven't seen any demonstration of value here at all.

THE COURT: All right. I appreciate your concerns.

Anyone else before I go back to debtor's counsel?

MR. SHERMAN: Yes, Your Honor. It's Andrew Sherman, Sills Cummins, for Spano.

THE COURT: Yes.

MR. SHERMAN: Thank you, Your Honor. I just want to correct a couple points for my end. The lender here, Your Honor, is Spano Investors. I think Mr. Pesce a few times referred to it as UBS or O'Connor. Just so the record is clear, the judgments are held by an entity called Spano Investors. So it may be affiliates of UBS or O'Connor, but just so the record is clear, as far as the actual creditor.

We did have a number of discussions with Mr. Pesce over the weekend and -- I think it's a Friday and just -- and we got the forms of order. I guess they were filed in the last hour, so we haven't actually conformed the forms of order to the changes. We'll do that.

But effectively, Your Honor, on Kelly Hamilton there were two changes. The primary change was that the lending as it relates to Spano will be on a subordinate basis, so our first lien in an entity called CBRM, which is the debtor, will be subordinate to those interests.

There's also a conversion right in the Kelly Hamilton DIP that was in the term sheet or converting the debt into equity. The modification we've agreed upon is that that will -- any conversion will be subject to further court order, so there's not going to be an automatic conversion right, Your Honor. You'll actually have to rule on the propriety or impropriety of that.

On the Nola side, Your Honor, there were three changes. There was -- I think it was -- Mr. Pesce alluded to the fact that certain of the dollars being spent under the DIP are being limited. Certain dollars, I think professional fees and litigation funding, will be set in an escrow which will be subject to further order of the Court, so those costs are going to be limited.

Importantly, under New Orleans, CBRM is not going to be a borrower. That's our judgment debtor. That's being excluded. I think -- I don't know where we landed on this with Mr. Pesce, but I think there's a reservation to potentially have CBRM on a final, which we would object to. But that was sort of -- for the interim relief, Your Honor, CBRM is not a borrower on the New Orleans order.

And then the last piece, Your Honor, we are concerned with Crown Capital incurring debt. I think for the purposes of the interim it will allow it. We're not object to it. We don't have the permiss -- yeah, only Your Honor can allow, so

we understand it's significance, our non-objection.

But to the extent at a final, Crown Capital will continue to incur debt on the Nola side. We continue to have concerns, so I believe the form of order will have a reservation of rights, which will have the right to object at the final to Crown incurring further debt on the Nola side. But if Mr. Pesce could confirm those five points that will be embodied in the form of order, we do not object to the entry of the DIP orders, Your Honor.

THE COURT: All right. Thank you, Mr. Sherman.

MR. PESCE: Yeah, I can represent that's correct and we'll -- we can submit it to chambers with Mr. Sherman copied once he sees the final version that was on the docket to memorialize that representation.

THE COURT: All right. Anyone else wish to be heard?

MR. GOODMAN: Yes, Your Honor, if I can.

THE COURT: Yes, Mr. Goodman.

MR. GOODMAN: Thank you, Your Honor. Brett Goodman, ArentFox Schiff on behalf of the Nola DIP lenders. And I just wanted to clarify. I think Mr. Pesce had said that there are two DIP lenders on the Nola side, DH1 and CKD. There are actually -- and I think this is important, also relative to Mr. Antonoff's comments -- there are three co-lenders here: DH1 Holdings, LLC, and CKD Funding, LLC, which were both prepetition first lien secured lenders; and then there is CKD

Investor Penn. That is the co-lender -- co-DIP lender that has the mortgage on the Nola properties that is -- kind of springs out of the guarantee on the Bankwell properties -- the non-debtor Bankwell properties that Mr. Pesce noted. So those were -- are all prepetition secured liens and each of those entities is a DIP lender on Nola.

I think if you look at the objection filed by the Cleveland International Fund, they are conflating in some respects the two CKD entities with respect to the mortgages on the Nola properties. So I think it's just important to note that there are actually two different CKD entities, each of which is a DIP lender here.

And then with respect to Mr. Sherman's comments, which Mr. Pesce already confirmed, yes, CBRM is no longer going to be a borrower under the facility and the Crown Capital debtor is a borrower under the facility that would be subject to the interim order and all rights are being reserved with respect to Mr. Sherman's clients for the final order. So I hope that's helpful.

THE COURT: All right. It is. Thank you.

Anyone else before I want to turn back to Mr. Pesce? It seems that the Court would certainly be in a position to approve on an interim basis the Kelly Hamilton portion.

MR. TESTA: Your Honor, this is Jeffrey Testa. I apologize. We had a few issues getting on Zoom. I thank your

chambers for your accommodation. I know Ms. Hoffman is on and Mr. Lubertazzi is on. I think they -- I know Ms. Hoffman at least would like --

THE COURT: Oh, okay. I didn't see that.

MR. TESTA: Thank you, Your Honor.

MS. HOFFMAN: And thank you, Judge. I appear as a duplicate of Mr. Testa here and I appreciate his courtesies in helping us and your chambers, as well, and I apologize that we had the technical difficulties that we did.

THE COURT: No problem.

MS. HOFFMAN: Thank you, Your Honor. And I just wanted to address one issue and it was brought up by the United States Trustee's Office as well, Your Honor.

Ms. LaPuma, who has the irrevocable proxy from Mr. Silber, the -- and she's signed the bankruptcy petitions, if there is a question about her authority here, I think that's really going to be an impediment to the loans in their -- in the ability of the debtor to get them. If there isn't some acknowledgment that she has the authority for the borrowing, I don't know how we move past that here this morning.

And so I don't want to throw a complete monkey wrench in the system, but if Mister -- if the Court isn't going to find that there's any authority for her to sign the documents and to enter into these agreements and that would then obviously call into question the validity of the filings, I

just wanted to make sure I understood what the United States Trustee's concerns were there, Your Honor.

THE COURT: All right. Fair enough.

Mr. Antonoff, you also want to be heard again?

MR. ANTONOFF: Yes, just very quickly. Thank you. Rick Antonoff from FisherBroyles on behalf of Cleveland International Fund.

Just to point out on the point that I mentioned about allocation and the concern about Lakewind becoming jointly and severely liable for both the roll-up refinancing and the new money, to the extent there is new money going to the Nola debtors in this interim finan -- in this interim stage, these debtors are not subsequently consolidated and that was also a reason I think for concern about having joint and several liabilities among them. I just wanted to get that on the record as well. Thank you.

THE COURT: All right. Thank you.

MR. TESTA: Your Honor, Mr. Lubertazzi is on as well. I'm not sure if his line is open, if he has anything else he'd like to add. Thank you.

THE COURT: Mr. Lubertazzi, good afternoon.

MR. LUBERTAZZI: Good day, Your Honor. Good day, Your Honor. I've been --

THE COURT: Yes.

MR. LUBERTAZZI: -- listening and so I didn't want to

add to the chatter.

THE COURT: All right. And if you have anything to add now is your opportunity.

MR. LUBERTAZZI: No, Your Honor. Ms. Hoffman expressed my primary concern, which is the ability of Ms. LaPuma to sign loan documents.

THE COURT: All right. I appreciate that. Thank you.

So let me turn back to Mr. Pesce now.

As I was saying, there are clearly fewer issues with the Kelly Hamilton portion. I don't -- based on the record I have in front of me -- have an issue with recognizing the authority of Ms. LaPuma to execute the documents. I have seen nothing to suggest she doesn't have authority. Quite the contrary. With all of the documents related to the filings, this Court can indeed take judicial notice of the docket in prior filings in related cases in which there was extensive documentation going into the authority granted, the mechanism putting Ms. LaPuma in place and the extent of her authority.

That's not to say that there cannot be challenges, but for purposes of authorizing the lending, the Court is not going to insist on prefatory language as to assertions, rather than the Court recognizes the authority. If it turns out that there are issues, the Court has remedies. There are -- parties have remedies, but at this juncture I can make that finding

based on interim. And again, I'm comfortable with the interim.

What I'm not comfortable at this point based on doing Zoom from a hotel room with argument is a -- is the contested portion that Mr. Antonoff has raised and the objections. I can -- we can continue that portion where at least I have the ability to take evidence or there could be more opportunity for discussions or examination of the record. We can continue on Thursday afternoon when I am back. And I do recognize that I think we're scheduled for final hearings on the 17th. This is a short time period. I'm not sure that it's critical to authorize on an interim basis the entire both DIP loans, at least as of today, later this week.

Mr. Pesce, my concern is to ensure that the adequate protection issues are addressed to the extent they exist. It's just difficult, and I'm going to be very candid, to really get my hands around a record as it's evolving for everybody.

MR. PESCE: I see.

THE COURT: Just being filed. We'll set up a briefing schedule, a dismissal.

The Court is confident that there are remedies. We're all very creative here. That should something -- should it turn out that I grant the motion down the road on a dismissal motion, we can address some of the impact of the financing. But let me have your thoughts, Mr. Pesce.

MR. PESCE: Well, I think just to clarify. So I

think Mr. Antonoff raised the question of whether the debtor had authority to file the bankruptcy petition. We're going to have a hearing on that. As I understand it, there's an adequate protection issue as to whether his client is adequately protected to the extent they have a secured claim in the Lakewind property.

And then I think the other portion is just maybe the necessity of the amount of the financing for the interim period. If that's the issue, maybe I -- if that's Your Honor's understanding, I mean, it would be good to confirm that and then maybe we could -- Mr. Goodman, Mr. Antonoff and I could maybe speak for 15, 20 minutes and try to see if there's some interim resolution we could reach here pending the dismissal hearing and then pending the final hearing on June 16th or 17th.

THE COURT: I'm comfortable those are the issues that are of concern. I think a conversation, brief conversation probably would be worthwhile. We can -- well, let's see. It's 1:53 your time?

MR. PESCE: Yeah.

THE COURT: We can reconvene at 2:30? Do you want to do that?

MR. PESCE: Why don't we -- yeah, why don't we try to do that and see if we can narrow some of this if Mr. Goodman and Mr. Antonoff are willing, that is.

MR. GOODMAN: I'm available.

MR. PESCE: Yeah.

THE COURT: All right. Counsel, are both of you available?

MR. ANTONOFF: Yes, I'm available. This is Rick Antonoff. I'm available. I can't speak for the availability of any decision-makers that I might need to sign off on anything. I also just want to take this opportunity to ask whether we should, while we have everyone here, set a briefing and hearing schedule on the motion to dismiss.

THE COURT: That's fine. I certainly was going to get to it whether we reconvene or not. I'm fine doing it now. Have you addressed it preliminarily or do you want to wait and give some time and have that as part of your discussions when you're offline?

MR. ANTONOFF: It's fine to wait until after we discuss.

MR. PESCE: Let me -- let me -- it'd be great to confirm the probable witnesses of my litigation colleagues, but we'll -- we can take that offline.

THE COURT: All right.

MR. PESCE: All right. So we could maybe reconvene in 35 minutes at 2:30 and then --

THE COURT: That will be fine.

MR. PESCE: -- Mr. Goodman and Scott Lepene and Rick,

I'll send you an invite here in a minute.

THE COURT: Thank you. Use the same Zoom information and we'll be back --

MR. PESCE: We'll rejoin shortly.

THE COURT: -- at 2:30. Thank you.

ATTORNEYS: Thank you, Your Honor.

MR. LUBERTAZZI: Your Honor?

THE COURT: Yes.

MR. LUBERTAZZI: It's Joe Lubertazzi. Do you need the Kelly Hamilton parties back at 2:30?

THE COURT: At this juncture, I don't believe so. I think we're -- the focus is on Mr. Antonoff's clients and his issues.

MS. HOFFMAN: Thank you, Judge. I just wanted to just confirm. I think we -- I'll get with Mr. Pesce. I didn't know if he was going to recirculate an order or whether United States Trustee has any further comments, but we'll do that offline and the Kelly Hamilton order should be able to be submitted today.

THE COURT: All right. If not, I'm here tomorrow.

MS. HOFFMAN: Thank you, Judge.

THE COURT: Okay. Thank you.

MR. GOODMAN: Thank you, Your Honor.

Your Honor?

(Recess from 1:56 p.m. to 2:30 p.m.)

THE COURT: All right. We're back. Would everybody adjust their screens?

MR. PESCE: Yes.

THE COURT: Mr. Pesce, any luck moving this forward?

MR. PESCE: We have a way forward. I would prefer to do it -- is Mr. Antonoff on the line yet?

THE COURT: Oh, let me take a look. Hold on. I don't see him yet.

MR. PESCE: Okay.

THE COURT: Why don't we just hold up then?

MR. PESCE: Sure.

THE COURT: I don't see him.

MR. PESCE: All right.

MS. HOFFMAN: Judge, this is Leigh Hoffman --

THE COURT: Yes.

MS. HOFFMAN: -- of Lippes Mathias. The Kelly Hamilton folks jumped back on the call and since we're waiting on the Nola folks, I just wanted to be sure that we had the terms that the Court was expecting to hear from us in this order.

And Mr. Pesce, I took good notes. Mr. Lubertazzi did. And I'm just not sure that we fully understand what you're expecting to see. Is this a full funding of the DIP order and you're only drawing partial amounts or is there a partial funding of the DIP order under the interim order?

MR. PESCE: I think we might want to take this offline. I don't think there's a funding reduction for the Kelly Hamilton order. There was a funding reduction proposed to address one of the issues on the New Orleans order and not on the Kelly Hamilton side.

THE COURT: Okay. Thanks. We just wanted to be sure, Judge, that you were expecting the same thing from us.

That's fine, Mr. Pesce. We'll do the entire order -- the entire funding in the interim order.

MR. PESCE: Yeah.

THE COURT: That's consistent with my understanding and I'll let you both work out the details. I still don't see Mr. Antonoff yet, so --

MR. SPONDER: Your Honor --

THE COURT: Yes, Mr. Sponder.

MR. SPONDER: This is Jeff Sponder from the Office of the United States Trustee.

I had a chance to look over briefly the redlines that were filed, so one of the issues that was not changed was the challenge period in both of the -- both orders. The challenge period as requested is 60 days after entry of the interim order for all parties, other than the committee, and then 45 days after the appointment of the committee.

The request from the United States Trustee's Office was 60 days from the final order for all parties in interest

and 60 days from a committee appointment. We think the 60 days from the -- I mean, there's no -- I mean, in the most recent case that Your Honor and I were involved in there were exigencies that required it to be lessened. We don't think that's the case here, but I just wanted to alert Your Honor because that -- they didn't make the changes and we do object.

MR. PESCE: Okay. So sorry, just so I understand, Mr. Sponder. So 60 days from the UCC is what you're asking?

MR. SPONDER: No, 60 days for all parties, other than the committee from the date of the final order, final DIP order, and then 60 days from the date of appointment of a committee.

MR. PESCE: The debtor -- we'll speak to the DIP lenders after this. I think as long as it's -- I'm not sure what our plan confirmation schedule is, Your Honor, so if the plan confirmation objection deadline is prior to that date, I would just ask that to be the outside date for one of those challenges and then they can take it up with the confirmation or plan -- or a sale hearing, you know. So the debtor doesn't object provided there's a -- it doesn't run past like a plan confirmation.

THE COURT: Right, it doesn't go past plan confirmation which will make sense and it will be wrapped into the confirmation if there are issues at that point.

MR. PESCE: That would be my suggestion. We can talk

to the two lender lawyers after this.

THE COURT: Okay.

MR. SPONDER: The other thing, Your Honor, is I made many revisions to the challenge paragraphs and it doesn't look like any of those revisions have been included, including the roll-up reservation of rights as to the roll-up is not included in the Nola document, so I really don't want an interim order. I don't want to be in the same place as I was with Rite Aid, an interim order entered when objections had been made and language is said to -- 90 percent is in there. Well, I found the other ten percent right off the bat. It's in -- with respect to the roll-up and the challenge period.

MR. GOODMAN: Your Honor, obviously -- this is Brett Goodman for the Nola DIP lender.

Your Honor, obviously there have been a lot of moving drafts, I think, you know, through a weekend period and I think everyone on this call appreciates the U.S. Trustee being available and willing to provide those comments.

What I would propose is to the extent we are able to work the other piece of this out, we would obviously make sure that we have approval of anything, any order from the U.S. Trustee --

THE COURT: Yes.

MR. GOODMAN: -- and then just submit it under certification.

THE COURT: Yeah, let me be clear. We're --

MR. GOODMAN: Not --

THE COURT: I'm not going to enter the order unless Mr. Sponder has signed off or had an opportunity to hear you all.

Mr. Sponder, does that do it for you?

MR. SPONDER: Thank you, Your Honor. I appreciate it.

MR. PESCE: All right. We'll work out those pieces and then when Mr. Antonoff comes on, we can take that up.

THE COURT: I don't know if anybody has a cell number to reach out for him to see if he's on his way?

MR. PESCE: I mean, I'll go off camera for a minute and try to call him and then I'll ....

(Pause)

MR. PESCE: I just tried his number, but we can -- it's important enough, so we'll take as much as -- oh, here. He just dialed in.

THE COURT: There you are. All right. There's Mr. Antonoff. And we need you to unmute Mr. Antonoff --

MR. ANTONOFF: I am back. I'm still on the phone with my clients as well.

THE COURT: Okay.

MR. ANTONOFF: Just going to take another couple of minutes here.

MR. PESCE: Do you want to reconvene?

THE COURT: All right. How about --

MR. PESCE: We can do whatever is most efficient for Your Honor and Mr. Antonoff.

THE COURT: Well, I -- listen, a minute or two I'm not -- I don't want to -- I want to afford you the opportunity, everyone, to speak with their clients.

Just take a five-minute break, all right?

MR. PESCE: You got it.

MR. ANTONOFF: Yes, thank you.

(Recess from 2:38 p.m. to 2:42 p.m.)

MR. ANTONOFF: -- rights reserved and we can revisit these issues for the final. For purposes of the interim, JF will accept --

THE COURT: I'm sorry, let me --

MR. ANTONOFF: I didn't know you were there, Judge. Sorry.

THE COURT: No, I wasn't. I didn't know if -- is this something you want me to hear or not?

MR. ANTONOFF: I wanted to give Mr. Pesce the benefit of a preview, but we're -- basically we discussed a proposal offline and I was able to persuade my clients to accept it for purposes of the interim hearing, as long as all rights are reserved to revisit these and whatever issues may arise for the final.

THE COURT: All right. Well, then fair enough.

Let me hear -- thank you, Mr. Antonoff, for working with your client, but let me hear from Mr. Pesce what the game plan is.

MR. PESCE: Sure. Sure. So the original funding in the account for today was 4.96 million dollars. And that was going to be accompanied by a one-to-one roll-up against the four New Orleans properties. So dollar for dollar, 496 of new money, 496 of a roll-up. We are going to reduce the interim draw by a total of $900,000 to reflect that we're not drawing the $250,000 of professional funding and we are reducing the originally 1.55 million of -- I'm sorry. I apologize -- $250,000 of litigation trust funding, we're going to defer that.

In addition, there was 1.55 million of interim professional funding New Orleans. We're going to reduce that to the amount needed through basically June 30th, so that's a reduction of $650,000 on the 1.55.

So all in, you would get the -- we'd be reducing the amount drawn by roughly $900,000. The roll-up effectively would go down by $900,000. In addition, the roll-up as to the Lakewind entity will only be 1.4 million dollars and that is effectively the amount attributable to Lakewind's portion of the prepetition loan that is getting rolled up.

So rather than -- even though it's a joint and

several obligation as to the four properties prepetition, we're only going to roll up the portion attributable to Lakewind during this hearing. So Mr. Antonoff's client will -- you know, there'll be less roll-up and less overall funding.

THE COURT: As to Lakewind, as to their --

MR. PESCE: As to Lakewind. Correct. And then in addition, there's roughly $38,000 of interest at the non-default rate that is payable every month.

We will escrow the -- escrow one month of post-petition interest through the final hearing. I have to speak with Mr. Antonoff after this hear -- after this. It would probably make sense to do, even though it's short, to do the dismissal hearing at the final hearing or have the final hearing otherwise coincide with the dismissal hearing so that we don't sort of have this herky-jerky, you know, if it's dismissed or if it isn't dismissed sort of dichotomy.

In addition, on adequate protection in addition to escrowing the post-petition interest at the non-default rate, we will give a junior super priority claim junior to the carveout, the new money and the roll-up, and we will give a replacement lien -- the super priority claim that is junior and that super priority claim, it sort of has the same commensurate priority relative to the carveout and the DIP and the roll-up.

And then finally, provided there's a, you know, confidential arrangement, we will give them the standard

reporting package that we're going to give to the DIP lender, the U.S. Trustee, the bondholder group and the Creditors' Committee's advisors if and when a Creditors' Committee is hired -- appointed.

THE COURT: All right. I appreciate that. Thank you.

Mr. Goodman, your clients on board?

MR. GOODMAN: Yes, Your Honor.

THE COURT: And Mr. Antonoff, it's consistent with what you were expecting?

MR. ANTONOFF: It is. The only concern I have about Mr. Pesce's remarks is having the dismissal hearing the same as the final. I understand the efficiency of knowing if Lakewind is in or out at that point. I just wonder if two weeks is enough time for briefing and frankly, there may be discovery here. I don't know yet, but I don't know if it's a reasonable time --

MR. PESCE: We can take that up. I think what I have -- what I think the lender is willing to provide is one month of post-petition interest, so we'll either have the final hearing on the 16th or 17th of June and have to reach a different accommodation for the post-final hearing period before the dismissal hearing. We'll have them at the same time. You know, it would be nice not to have too many trials on the matter in close conjunction, but maybe I'll rescind the

comment about the timing of the hearing. We'll give one month -- we'll give post-petition interest through the final hearing. We'll work out a schedule, Mr. Antonoff, and your chambers, Your Honor, that works for the dismissal.

THE COURT: As of this point, though, we're looking at a final hearing on the 17th? That's what I blocked.

MR. PESCE: Yes.

THE COURT: 1:00 p.m.

MR. PESCE: Great.

THE COURT: And --

MR. PESCE: So --

THE COURT: Okay.

MR. PESCE: Right, 17th. I'm sorry. I just --

THE COURT: The 17th at 1:00 p.m.

I have dates I can offer you in case you want when you're making your scheduling just to -- well, I have a June 26th date and then -- I mean, I was looking at omnibus dates about a month later, July 22nd. So let me just give you the June 26th date. Try to work out a schedule.

MR. PESCE: Sure.

THE COURT: And reach out to my chambers and we'll try to make sure it works.

MR. PESCE: Right. Well, we really appreciate your time; Mr. Antonoff's time. The -- we'll -- I don't know if it's going to be today, but in hopefully the next 24 hours

we'll send a certified copy to reflect Mr. Sponder's comments, the changes necessary on the budget to address both Spano and CIF, and then the other changes necessitated by CIF on the New Orleans order. I hope we can get the Kelly Hamilton one entered sooner. That just has the dealing with Mr. Sponder's comments to that, but hopefully we can get that Kelly Hamilton to you today and then this either today or early tomorrow for New Orleans.

THE COURT: So as of now, we're -- we do not have anything scheduled for this Thursday.

MR. PESCE: Yeah, I --

THE COURT: Once you get the orders down, we'll get them entered. To the extent there's a language issue or wording that you just can't seem to overcome the dispute, I can arrange -- we can have a quick call, a Zoom call, whether it will be tomorrow or on Thursday. Wednesday is a travel day for me. It will be a little harder.

MR. PESCE: Understand.

THE COURT: But if we need, just reach out for chambers and we'll --

MR. PESCE: I appreciate it.

THE COURT: We will schedule it, all right?

Can I assist anyone else? Are there any other concerns or issues?

MR. ANTONOFF: Just if I may ask. Will Mr. Pesce be

circulating a revised interim order on the Nola DIP?

MR. PESCE: Yeah, that's what I was saying. Let us -- we'll get something to the parties later today and then let's work with you to get that done as soon as we can today or tomorrow.

MR. ANTONOFF: Okay.

THE COURT: All right.

MR. PESCE: We will not -- we will copy Andrew Sherman, Mr. Antonoff, Mr. Goodman, Sponder -- Mr. Sponder and make sure I'm not missing anyone else on the New Orleans side, and then we'll make sure the U.S. Trustee and the Kelly Hamilton DIP lender are on the other one, too, so -- all right.

THE COURT: All right.

MR. PESCE: Thank you, Your Honor.

THE COURT: I'll wait -- can you -- just getting a note. Could you also resend it to my chambers the most recent claims agent order so we know we have the final version?

MR. PESCE: Absolutely. We'll send that to you with Mr. Sponder and copy shortly.

THE COURT: And if you all make use of the June 26th date, just know that it's at 1:00 p.m., all right?

MR. PESCE: All right. You got it.

THE COURT: All right.

MR. ANTONOFF: Thank you, Your Honor.

MR. PESCE: Thanks for the call.

THE COURT: Appreciate your time and efforts. Thank you.

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C E R T I F I C A T I O N

I, RUTH ANN HAGER, court-approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of my ability.

/s/ Ruth Ann Hager

RUTH ANN HAGER, C.E.T.**D-641

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