Docket #0821 Date Filed: 05/15/2026

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

IN RE:	.	Case No. 25-15343-MBK
	.	(Jointly Administered)
CBRM REALTY INC., ET AL.	.	
	.	402 East State Street
	.	Trenton, NJ 08608
Debtors.	.	
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. . . . .	.	
	.	
IN RE:	.	Case No. 25-15351-MBK
	.	(Jointly Administered)
CROWN CAPITAL HOLDINGS LLC., ET AL.	.	
	.	
Debtors.	.	
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. . . . .	.	
	.	
IN RE:	.	Case No. 25-21650-MBK
	.	
MOSHE SILBER,	.	
	.	
Debtor.	.	
. . . . .	.	
KAREN E. BEZNER,	.	Adv. Proceeding 26-01178-MBK
Plaintiff,	.	
v.	.	
	.	
MOSHE, a/k/a MARK SILBER AND MIRIAM MIZRACH,	.	
Defendants.	.	May 13, 2026
. . . . .	.	1:00 P.M.

TRANSCRIPT OF STATUS CONFERENCES
BEFORE HONORABLE MICHAEL B. KAPLAN
UNITED STATES BANKRUPTCY COURT JUDGE

Audio Operator: Linda Brakel

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

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APPEARANCES:

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For Moshe Silber:	Porzio Bromberg & Newman By: WARREN J. MARTIN, JR., ESQ. RACHEL A. PARISI, ESQ. 5 Sylvan Way, Suite 110 Parsippany, NJ 07054
For CBRM Debtors:	White & Case LLP By: GREGORY PESCE, ESQ. 111 South Wacker Drive, Ste 5100 Chicago, IL 60606 White & Case LLP By: BARRETT LINGLE, ESQ. 1221 Avenue of the Americas New York, NY 10020-1095
For Miriam Mizrach:	Okin, Hollander & DeLuca, L.L.P. By: PAUL S. HOLLANDER, ESQ. Glenpointe Center West, 2nd Floor 500 Frank W. Burr Blvd., Ste 40 Teaneck, NJ 07666
For Nicholas Frungillo, Jr., Trustee for the Voting Trust:	Windels Marx Lane & Mittendorf By: DOUGLAS A. STEVINSON, ESQ. 120 Albany Street Plaza New Brunswick, NJ 08901

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(Proceedings commenced at 1:00 p.m.)

THE COURT: Okay. Good afternoon, everyone. This is Judge Kaplan. Bear with me as I adjust my screen and give everybody else a chance to adjust. Easier said than done.

All right. I assume you all can hear me.

I have a host of --

THE CLERK: I'm getting reports that I cannot.

THE COURT: Can you all hear me?

MR. PESCE: Yes, Your Honor.

THE COURT: Okay. Well, somebody texted saying they couldn't, but --

THE CLERK: (Indiscernible) sorry. It has to be on their end.

THE COURT: We'll go forward.

So I have a host of matters on between the Silber case, CBRM, Crown Capital. There's been some confusion or conflicting positions taken as far as scheduling. The Court has had some inquiries of its own regarding the status of matters. So I thought it was wise to do a run through and see where we're at with all of the matters.

Let me start out with Crown Capital Holdings. There's a motion to dismiss the case that I have not had opposition to. If anyone is making appearances on that.

UNIDENTIFIED ATTORNEY: Your Honor -- oh, sorry. Go ahead.

MR. PESCE: Yeah, for the debtors directed by the wind-down officer, it's White & Case, myself, Gregory Pesce, and Ms. Lingle. Ms. Lingle, if it suits the Court, was going to run through where we are on those matters.

In short, except for the final decree, I think we have conceptual resolution and are waiting for finalization of some of the orders. The final decree is another topic and I won't speak to the RLA motion to compel compliance. But if it works, Ms. Lingle can work through on the agenda where we are with the various parties, Your Honor.

THE COURT: I'm all for that.

Ms. Lingle, good afternoon.

MS. LINGLE: Good afternoon, Your Honor.

As Mr. Pesce said, with respect to the motion to dismiss the remaining cases under the Crown Capital Holdings case that was filed at Docket Number 219, as well as the motion at 223 for terminating Omni as the claims and noticing agent, I think that these should be substantially resolved.

We have been working with the United States Trustee on revising the proposed form of orders. And so once we are resolved with the United States Trustee, we can submit proposed form of orders for both of those motions.

THE COURT: So that's Docket Number 219, motion to dismiss, as well as the final decree?

MS. LINGLE: That's not the final decree in the CBRM

cases.

THE COURT: Okay. What was the other?

MS. LINGLE: It's 219 and 223, which is the --

THE COURT: Oh, I see.

MS. LINGLE: -- application for instant order terminating Omni.

THE COURT: Right. Okay.

So does anybody wish to be heard on those matters?

(No audible response)

THE COURT: Then we will mark those granted, order to be submitted.

MS. LINGLE: Thank you, Your Honor.

MR. PESCE: Thank you.

THE COURT: Thank you.

MR. PESCE: Is Mr. Sponder on? Sorry, I'm just looking at the window here, or the United States Trustee. I just want to make sure we don't misstate anything from his perspective.

THE COURT: I don't see Mr. Sponder or anyone from the U.S. Trustee's Office.

MR. PESCE: Yeah, that's why I just want to wait for Mr. Sponder.

THE COURT: If it turns out to be problematic, you'll reach out to Chambers.

MR. PESCE: We will.

THE COURT: How about we go with that?

MR. PESCE: All right.

THE COURT: All right.

Ms. Lingle, do you want to continue, or?

MS. LINGLE: Yes, Your Honor. So I think, then, if we would turn to the CBRM cases, and I know there's three open items there. And I can speak to the motion to compel payment of administrative expenses, which was filed by AFCO.

THE COURT: Right.

MS. LINGLE: And that's at 749. We are resolved with respect to that motion, and it is my understanding that counsel to AFCO, if they've not submitted it, should be submitting shortly after the status conference a brief form of order, which should resolve that matter.

THE COURT: Any other appearances on that matter?

(No audible response)

THE COURT: All right. That's Document Number 749 on CBRM Realty. We'll mark that granted, order to be submitted.

MS. LINGLE: Thank you.

THE COURT: Thank you.

MS. LINGLE: And then, the next item, which I believe is in our court, would be the motion for the final decree, which is that Docket Number 795 --

THE COURT: All right.

MS. LINGLE: -- that I think Mr. Pesce going to speak

too.

MR. PESCE: Right. So if it may please the Court. Gregory Pesce, White & Case, on behalf of the debtors and the wind-down officer.

Following the appointment of Ms. LaPuma as the replacement wind-down officer, which occurred on March 10th, she's been at work putting the wind-down process into place. Among other things, we filed the motion to close certain of the cases. We filed a motion to terminate Omni. We filed a motion to dismiss those lingering cases that were from that wave of filings that ultimately were not feasible and dismissed.

And, in particular, she's been spending a lot of time on preparing final tax returns and seeking some retroactive relief from the Internal Revenue Service for filing those tax returns which weren't filed previously. In connection with that, as I mentioned to streamlining the administration of the cases, we filed a motion for a final decree in all but the CBRM case so that the CBRM case would be the last case standing, so to speak, while the wind down occurs.

And then, while RLA, as the Creditor Recovery Trustee, did its work to pursue defendants, after we filed that motion, which I don't think in concept is controversial, in connection with resolving the order, the United States Trustee asked that we incorporate language to the proposed form of order. That language, in essence, mimics language that was in

the Chapter 11 plan in various places that said the debtors, the Creditor Recovery Trust, the Creditor Recovery Trustee, and the wind-down officer shall be jointly and severally liable to pay any and all quarterly fees, those are the U.S. Trustee fees, when due and payable.

The debtors did not have an objection to that because we're merely mimicking the language in the confirmed plan. We socialized the order with Mr. Stolz and Mr. Corbi on behalf of RLA, which is now just the Creditor Recovery Trustee. That language was objectionable. And, in light of that, and since this was just a status conference, I wanted to give you that brief update and to seek your guidance on how you like us to resolve it.

We can set another hearing on the matter, but we would like to get those cases dismissed so that we don't incur further statutory fees for the cases for which we're seeking dismissal.

THE COURT: All right.

Mr. Corbi, do you have thoughts on this?

MR. CORBI: Yes, Your Honor. Richard Corbi for RLA Consulting as the creditor recovery trustee for the CBRM and Crown Capital plans.

Again, this is status. I'm not making oral argument. I'm just going to tell you what the dispute is. We don't believe the Credit Recovery Trustee should be responsible for

the disbursement of U.S. Trustee fees based on the resignation order enter by this Court, particularly in Paragraph 7 at Docket Number 786 where it said that the debtors would be responsible for paying those fees.

Again, I'm not creating an argument, just like Mr. Pesce, would like guidance on resolving this or opening up to further discussions or a further briefing schedule.

THE COURT: Well, thank you.

Does anybody else want to be heard on it?

(No audible response)

THE COURT: It would make sense to me to put this down for a hearing date and to ask for brief letter positions on it. And I'll emphasize brief.

You tell me how much time. I'm thinking a couple of weeks or so.

Do you have a sense, Mr. Pesce or Corbi, on time it would take?

MR. PESCE: I think it's really Mr. Sponder's concern because it's whether those fees are paid or not. And to be clear, at the end of the day, the fees will be paid. It's just there's really a question of if the wind-down estate doesn't have sufficient funds where does the recourse lie?

THE COURT: Right.

MR. PESCE: You know, today is Wednesday the 13th. Unless it's an imposition on the Trustee, who I don't think is

on this phone, I mean, we'd be happy to submit a letter by like a week from today and then could do a hearing sometime after Memorial Day. Hopefully, sooner than later. But we don't expect to have much to say on the issue. I think it's really Mr. Sponder's point.

THE COURT: Mr. Corbi, do you think you could put together something in a week, by the 20th, and I would schedule a hearing for the 28th?

MR. CORBI: Yes, on the 20th, I could put something together. The 28th, I have conflicting hearings. I have a hearing in the morning, and then I'm flying back from Texas for another hearing that afternoon, or the same hearing, that afternoon.

I could move my flights, and since this is all virtual, I can, to the afternoon on the 28th, whatever is easier for the Court.

THE COURT: Would it be easier as an afternoon matter, or does it make a difference?

MR. CORBI: It doesn't make a difference. I'll just readjust my schedule for the Court.

MR. PESCE: If we could, sorry, if we could maybe find a date that week where we could do a morning setting, because I'm going to be out of the country on a work matter for part of that week. If we could do a morning time, or if we need to do the following week, we could do that.

THE COURT: Let me just take a look.

How about June 4th at 11:30?

(No audible response)

THE COURT: Nope.

THE CLERK: You're out.

THE COURT: I'm told I'm out here. We get a lot of that because I'm the last one to know where I'm supposed to be.

Let's see. Bear with me.

Oh, that's right. How about Tuesday, June 2nd, 11:30?

MR. CORBI: That's fine with the Trustee, Your Honor.

MR. PESCE: Yeah, I think that should be fine. 11:30, you said, Your Honor?

THE COURT: 11:30 on Tuesday. We'll reschedule it. I'm sure Mr. Sponder will get notice of it, but if you would all reach out for him as well. That gives ample time after the position papers are in for parties to either comment on and for the U.S. Trustee to engage.

MR. PESCE: And so to recap. By close of business on the 20th, we'll submit very short letter positions to the Court --

THE COURT: Right.

MR. PESCE: -- and then we'll have the hearing on the 2nd at 11:30?

THE COURT: Correct. And that's with respect to

entry of the order for the final decree.

MR. PESCE: Final decree.

Okay.

Ms. Lingle will provide an email to Mr. Sponder copying us and your clerk, Ms. Earl, and the Creditor Recovery Trustee's counsel, and then what we can file a notice on the docket if that helps.

THE COURT: Great. All right.

Ms. Lingle, do we have any other matters that you wish to touch on?

MS. LINGLE: I think the other matter that's open in the CBRM cases is the motion by RLA at 771.

THE COURT: Right. To compel.

MR. CORBI: Yes, Your Honor.

THE COURT: All right. Before we get to that, Mr. Martin, on behalf of Mr. Silber, raised the issue as to a possible conflict. Obviously, I don't think those have impacted the administrative matters we've just been discussing.

But before we get into anything more substantive, and again, this is just status conference, Mr. Martin raised an issue of a possible conflict, I would assume, between the CBRM bankruptcy estates or the efforts of the Creditor Recovery Trust and the Silber bankruptcy estate. But I don't want to try to characterize it.

Mr. Martin, do you want to be more specific?

MR. MARTIN: Yes, Your Honor, in part. I won't go into sort of broad-level conflicts, but at least --

MR. STOLZ: And, can I make a suggestion, Your Honor? If Mr. Martin is going to talk anything about the bank situation, I think it's advisable to go off the record for that discussion. We don't want to put on the record anything with regard to the bank situation.

MR. MARTIN: And I'm not. I'm not yet. By the way, I agree with you a 100 percent on that part.

So the bankruptcy Trustee, Ms. Bezner, via her attorney, Mr. Stolz, filed the adversary complaint and the order to show cause for --

THE COURT: Right.

MR. MARTIN: -- adversary complaint fraudulent conveyance to recover estate assets. While the debtor disputes the allegations of the complaint, the debtor agrees with Ms. Bezner that to the extent there is a claim, that claim belongs to the Chapter 7 estate.

On Friday, Docket Number 28 in the adversary proceeding, Paragraph 15, filed by Mr. Corbi, but that was posted on the docket by Ms. McDonnell of Mr. Stolz's office.

Paragraph 15 says that the Trustee in the CBRM case believes there are substantial grounds that the interest in Vecta constitute property of the CBRM estate. So it's one or the other, Your Honor. It's either Ms. Bezner's estate or the

CBRM estate.

We believe that whatever the claim is belongs to Ms. Bezner. And I don't know how I can sort of address these things by way of status conference or otherwise with all of those parties present. And, as I understand it, Mr. Stolz representing both of those parties.

MR. STOLZ: So if I can address that, Your Honor.

THE COURT: Yes.

MR. STOLZ: I think it's a bit of a red herring. And I'm not quite sure the motivation for the debtor bringing it up.

So let me see how I can be very, very brief about this. There is an interest which the debtor did not originally schedule. When he filed his petition in September of 2025, he listed zero assets. When Mr. Martin got involved as substitute counsel, he filed amended schedules and showed an interest in an entity called Vecta Partners.

Vecta Partners indirectly owns Vecta, Inc., Vecta, Inc., owns a bank. There are two separate issues. One issue is how do you sell that interest? And that's my primary focus at the present time. There's a secondary issue of when you sell the bank, who gets the proceeds? And I will not be involved. My firm will not be involved on either side with regard to that issue. That's why Mr. Corbi, although we're his local counsel, so we file things for him, why Mr. Corbi is

advocating that position.

All we're really trying to do at this stage of the case is find a vehicle to sell the interest in the bank, which is very bizarre. I was talking to Mr. Stevinson before. It's kind of uncharted. So what happened here was when Mr. Silber was convicted, the Federal Reserve Board sent him a letter saying you can't own a bank anymore. And so he placed that ownership interest into what they call a blind trust. I don't know what a blind trust is, but they call it a blind trust.

Mr. Frungillo is the trustee on it. Mr. Frungillo is -- and we had a conversation last week with Mr. Hollander and Mr. Frungillo and Ms. Parisi and I and his counsel. We think he's doing an appropriate job marketing and trying to sell that bank. What Mr. Frungillo advises us is, in the best circumstances, the bank won't be sold until the end of the year.

At that point, everybody has agreed, whatever the proceeds are, get deposited into an escrow account someplace and everybody fights over it. So if the concern is that I wear two hats representing the RLA Trustee and representing Ms. Bezner, I'm 327(e) special counsel to Ms. Bezner. Ms. Bezner is her own counsel. Mr. Corbi is RLA's counsel. And when we get to that issue, I state on the record, I will not represent either trustee. Somebody else will deal with those issues.

The main goal here is to find a vehicle to get that bank sold. And we had asked for a lot of relief, which I now find is not prudent because as we've been schooled by Mr. Frungillo and his counsel, it's a very delicate thing to sell a bank. There's a lot of regulations. There's a lot of things that you don't want to necessarily drag into the bankruptcy court. And so what we're trying to wordsmith is how we can let him sell that bank interest and yet have some input from Mr. Hollander's client, Ms. Mizrach, who asserts that she owns an interest, and for Trustee Bezner, without having to go through a bankruptcy process which might deter creditors.

We know that Mr. Silber can't be involved in any respect because the Federal Reserve told him he couldn't. So I don't think it's a ripe issue for consideration at this point. Our effort is, and we're going to ask to have Your Honor adjourn that to a convenient date so we can continue to try and work through exactly a framework that makes sense, but I don't think it's a ripe issue at the present time. That's the bottom line.

THE COURT: Well, just focusing not with respect to the bank issue, but to the other conflicts, such as the motion to compel compliance with the 2004, it struck me as a potential conflict where you're acting on behalf of Ms. Bezner as the 7 Trustee for Mr. Silber, seeking information from Mr. Silber. Mr. Silber is then pointing a finger to CBRM, to Ms. LaPuma,

and to Mr. Kamensky, saying they've got documents and yet you've also represented Mr. Kamensky.

MR. STOLZ: Not a single document we've asked for from Mr. Silber relates at all to CBRM. We've asked him for his personal bank accounts. We've asked him for assets that he's transferred. We've only asked about things that are regarding his personal affairs.

And, remember, he was in bankruptcy for six months with schedules that showed zero. Then he showed one asset.

THE COURT: I understand. I don't want to go through the argument on it.

MR. STOLZ: So, I'm not --

THE COURT: I'm addressing the conflict. And my question, Mr. Stolz, is, is there a need for you to be representing RLA or Mr. Kamensky, or are you anymore in this matter? He has Mr. Corbi.

MR. STOLZ: I'm only representing RLA with regard to investigating causes of action that RLA might have against third parties. Nothing having to do with Mr. Silber. We may bring claims against accounting firms, against other people in the CBRM case.

I have nothing to do with anything involving CBRM's claims against Mr. Silber or Mr. Silber's estate. In fact, we made that clear in the application when both trustees signed off on that, that the inter-estate issues, my firm will have

nothing to do with it, other than perhaps filing a pleading for Mr. Corbi as his local counsel.

THE COURT: All right. Does --

MS. PARISI: Your Honor.

THE COURT: Yes.

MS. PARISI: I apologize. Rachel Parisi from Porzio Bromberg & Newman.

Just one point that Mr. Stolz just raised, which came as a response to Your Honor's question about the 2004. I just want to note for the Court that the 2004, and this is just by way of one example, defines "you" to include any entity in which the debtor has ever held an ownership interest in or essentially had any sort of management or oversight of. I don't know how Mr. Stolz says that the questions are not geared towards CBRM. I think the vast majority of the questions are.

So, and perhaps that's a factual issue, but to me, it's very clear that the questions that were asked and are being asked are in large part related to CBRM.

MR. STOLZ: Not our intention whatsoever. Mr. Silber owned a number of other entities. He owned an entity that owned an aircraft. He owned an entity called Rhodium. He owned a bunch of other entities. Not our intention. I'm happy to amend the 2004 subpoena to say other than CBRM or Crown Capital, but certainly that's a generic definition that we use in our subpoenas and it certainly wasn't our intention to ask

about CBRM.

MR. MARTIN: Thank you, Dan.

The other incorrect statement that Mr. Stolz made in his recitation was that the original petition disclosed no assets and the amended petition and schedules disclosed one asset. He just articulated a number of the other assets, including the interest in the aircraft, et cetera, that are all fully disclosed in the amended schedules.

We have gathered already, to just touch on the discovery motion, probably a thousand pages of documents that we've been putting together that ultimately would be produced in response to the subpoena. If Mr. Stolz is going to narrow the subpoena to not include any of the CBRM, we would certainly appreciate that.

With respect to the conflict, how do you prosecute a complaint without knowing who the plaintiff is? Mr. Stolz filed a complaint on behalf of Ms. Bezner. And now, we are told that it's the CBRM Trustee, that the interests constitute property of the CBRM estate, that the money came, and this was in an email from Mr. Stolz last week, the money came directly out of the CBRM estate.

If you have two parties vying over the same money, I'm not sure how one of them, one counsel can be prosecuting the complaint.

THE COURT: All right. Well, before we even address

that, and I think that is a critical inquiry, my concern is whether we can move forward with the status conference now because that was the issue Mr. Martin raised.

MR. MARTIN: I don't know where Mr. Stolz is going with the status conference. He's the one who requested it. I objected to it. We're here.

If we want to limit it to what Mr. Stolz said at the beginning, which is let's talk about the potential resolution, which we brought Mr. Stolz to kicking and screaming with respect to Mr. Frungillo to prevent him from continuing to meddle with the Federal Reserve, we're happy to talk about that.

MR. STOLZ: Okay. With that, let Mr. Corbi --

THE COURT: Well, let me hear from Mr. Corbi.

Thank you.

MR. CORBI: Thank you, Your Honor. This is sort of a neutral. Mr. Martin and Mr. Stolz can go back to their corners.

And I think from our -- for the record, Richard Corbi, counsel for RLA Consulting, the Credit Recovery Trustee.

There's several issues here. One, the ultimate issue here is ownership of the proceeds, and the alleged conflict is a sideshow. Because what's going to happen here, what I've suggested outside of this, is this is going to be set up like an interpleader dispute. You're going to have two parties, or

maybe other parties may come in and say they have the right to the proceeds.

We're going to intervene in the adversary proceeding, either by consent or by separate motion. Other parties may want to intervene in the lawsuit. And the money is going to be put into an account and the ultimate fight over the proceeds will be between Mr. Kamensky, Ms. Bezner, and any other creditor who thinks they're entitled to the proceeds. So there's no conflict there.

And with regards to information, I just want to correct, I just want to state something there. The CBRM debtors had served discovery on Mr. Silber. He didn't respond. He didn't respond in a deposition. And in his 341 meeting last March, we believe there were certain misrepresentations made.

And so we've had to really reconstruct the wheel in terms of asking for discovery from various third parties. And the ultimate issue here on the sale, there's no meddling. I mean, I don't know where that came from, but it's just not true.

We want to monitor the sale, and I think we're all going to work towards a consent order, set up like an interpleader and have monitoring provisions. But I think the key issue here is to get back to the ownership issue, which will be the ultimate issue. And in my reply that I filed Friday night, if you look at the OPM Leasing, case I cited,

16 B.R. 932 (Bankr. S.D.N.Y. 1982), that wasn't about sale proceeds. It was about professional fees and different escrows, and there were competing trustees of different estates.

The ultimate ownership issue is the key issue, and there's not going to be any conflict issue. And even if there is, there's already a wall. I'm representing the trustee in all those accounts in this matter. We're not counsel to Ms. Bezner in the Chapter 7 case. We're asserting our own interest in this case, as Mr. Stolz said.

THE COURT: So let's approach it this way.

MR. HOLLANDER: Your Honor, could I just speak briefly in response to what both Mr. Stolz said and Mr. Corbi, please?

THE COURT: Sure. Mr. Hollander.

MR. HOLLANDER: I represent Miriam Mizrach who is the owner of 95 percent of the non-voting shares in Vecta Partners, which is the entity that owns the interest in Vecta, Inc., which is the entity that owns the bank. All right.

Depending on how much longer this hearing goes, we were hoping that the representatives of Windels Marx, who actually represent the voting trustee of this voting trust, a former or a retired banker who is familiar with these matters and familiar with the regulations of the Federal Reserve Bank, which is the entity, with all due respect to Your Honor, is

really the only entity that can approve or disapprove a sale of a federally insured bank. All right.

And they'll explain to you why we've been trying to work for the last week to get certainty as to how they're going to be able to proceed and negotiate with one of several bidders that they have who appear to be qualified in the sense that they'll pass muster with the Federal Reserve Bank without whose approval this is going nowhere.

And what we believe, and I believe the Windels Marx people will confirm, is that any prospective buyer who seeks to enter into a purchase and sale agreement is going to want to have an absolute high degree of certainty that when they sign the contract and go through the approval process and the expense associated with it, they're not going to be faced at the end of that process with an application in either one of the bankruptcy cases in front of Your Honor suggesting that that contract is now subject to an approval by Ms. Bezner, an approval by anyone associated with the corporate liquidation estate.

Or, again, with due respect that it's not subject to any further proceedings such as higher and better offers in front of Your Honor or approval of the sale. And that's extraordinarily important because in the best of all worlds, and the Windels Marx people I think can address this, it's going to take between now and the end of the year to get the

federal government to give the necessary approvals. And given the fact that this bank is not -- given its condition, to allow that much time to go by and not have a sale because it gets sidetracked by collateral issues down the road is not acceptable, not good for whoever may ultimately be entitled to the proceeds.

And, therefore, that's what we're trying to drive to, to get a consent order and a stipulation that gives certainty to how this is going to proceed, certainty in terms of something that a buyer who's going to invest considerable funds and time and money is going to have an extremely high level of comfort that there isn't some phantom condition precedent or contingency involving some aspect of bankruptcy law, which really doesn't apply to the sale of a federally insured bank.

So that's what we've been trying to pursue with Mr. Stolz, which we presumably will continue those efforts. And that's why the pleading that was filed yesterday at four o'clock was so troubling to I think everybody on the side that's trying to get this done, because on the eve of trying to negotiate some kind of a stipulation, now we find out that there is one and possibly other third parties who are going to claim that they're the owners of the interest in the bank.

And, therefore, they would have similar rights, assuming -- and I don't agree that there are such people out there, but we have a pleading filed by somebody who in the

section that Mr. Martin quoted from, asserts that that's the case. So we've got to eliminate that level of uncertainty that anybody who's a creditor in one of the other cases or a trustee, a recovery trustee in any one of the other cases can take pot shots at people down the road and derail this whenever it suits their purpose for whatever.

THE COURT: All right. I understand the point.

But my question to you all, and I'm approaching this very gingerly, because I certainly question the role here of this Court. I understand what the Trustee is trying to accomplish, and I respect that. But we're going to take this in steps.

The first step is I have an order to show cause that the parties seem to want to reschedule to allow for more discussions.

MR. STOLZ: Better than that, Your Honor.

My suggestion is that you vacate the order to show cause. What Mr. Hollander said was totally accurate and appropriate. I don't want it hanging over any of the parties. We filed the complaint. There's no more need for an order to show cause because we don't seek restraints against Mr. Frungillo anymore. We weren't kicking and screaming, but we had a very illuminating conversation with Mr. Frungillo and his counsel in which they explained to Mr. Hollander and me exactly what Mr. Hollander just said, which was, having the

bankruptcy court involved here could be detrimental to the sale proceeds.

So there's a complaint. We'll ultimately serve the complaint. I don't need any of the restraints. Mr. Silber is restrained by the Federal Reserve from being involved. And we're comfortable at this point that Mr. Frungillo is proceeding appropriately. What we will do is still try and work on an order that kind of governs the sale process so there's no question that there's anything hanging over it. And that's what Mr. Hollander and Mr. Frungillo and his counsel and I will work on.

So I think that makes life a lot simpler.

THE COURT: It does. I'm going to ask you to submit a proposed order vacating the Court's earlier order putting in place certain limited restraints.

MR. STOLZ: I will do that, Your Honor.

THE COURT: And you have the pending adversary proceeding; if you need to serve it and if we're outside of the time, you'll get an alias summons. Then there really is nothing before the Court, and if you can agree upon a process that works, that's great. If you can't, you'll bring it to the Court.

MR. STOLZ: I think that's the right way to do it, to make it clean. And we'll go from there, Your Honor.

And on the motion to compel compliance, give us an

adjourn date and I will narrow the 2004 subpoena so that Mr. Martin can send me the thousands of pages and not have a concern that I'm asking about anything regarding CBRM.

And so those are the two issues and I think the cross motion on the order to show cause becomes moot because we're vacating the order to show cause.

MR. HOLLANDER: No, no, Your Honor. With all due respect, the cross motion, which was filed by Windels Marx, and they can address it, seeks to get a declaration that clarifies how this process to sell the bank is going to proceed without the hangover risk of a collateral pack down the way that would derail it.

MR. STOLZ: That's a good point. Leave it on the calendar and that's what we'll try and submit the order on and put it on an adjourn date.

MR. HOLLANDER: All right.

THE COURT: Then --

MR. STOLZ: Mr. Hollander is right.

THE COURT: -- before I turn to Mr. Corbi for a second, and I have some other thoughts on the motion to compel. Give me a time frame. I have a date. Do you want me to give you a June 8th date for that cross motion, give you plenty of time to work out language?

MR. HOLLANDER: I think you're asking Mr. Stevinson, not Mr. Corbi. That's his cross motion.

THE COURT: No, no. I saw Mr. Corbi raising his hand. I understand.

MR. CORBI: You're asking about the motion to compel Judge, the discovery motion.

THE COURT: No.

MR. STOLZ: No, no. We're back on the --

THE COURT: I'm asking about the cross motion.

MR. CORBI: Got it. Then I'll shut up.

THE COURT: Okay. Thank you.

I'm asking about the cross motion --

MR. HOLLANDER: Solution.

THE COURT: -- and I just want to get a sense of timing for you all. We're not taking it off the calendar as first suggested. Now we're leaving it on the calendar so you can work on an agreed process going forward. Or if not, you'll argue the process.

How much time do you all want?

MR. STEVINSON: Your Honor, can you hear me? This is Doug Stevinson.

THE COURT: Yes, I can. Thank you.

MR. STEVINSON: Your Honor, that time is fine with us.

THE COURT: Okay.

I'm going to put it on for Monday, June 8th, at 11:30. Just the cross motion. That's still subject to

Mr. Stolz. You're going to be asking the Court to vacate any restraints that are in place at this juncture, correct?

MR. STOLZ: Correct, Your Honor.

THE COURT: Okay.

MR. STOLZ: And Mr. Martin pointed out that I don't think Your Honor's order to show cause imposed any restraints.

THE COURT: I don't have it in front of me.

MR. MARTIN: It does not.

THE COURT: Then it's a very kind and gentle order to show cause, restraint.

All right.

THE CLERK: What time are we --

THE COURT: 11:30.

So with respect to the motion to compel, my thought was to also check in with you all and to carry it. Do you want me to carry that to the same date?

MR. STOLZ: I think that makes sense, Your Honor.

MR. MARTIN: That works for me, Your Honor. I would also like you to carry your direction that the parties appear in person.

THE COURT: Well, we're going to touch on that in a second.

MR. MARTIN: Okay.

THE COURT: Thank you, Mr. Martin. On mediation or settlement conference.

But with respect to the motion to compel, in advance of that, to the extent Mr. Silber is taking the position he's not in control or has the ability to secure any of the documents and that third party are in control of the documents, third party custodians, I think it would make sense within seven days to have Mr. Silber prepare a list for the Trustee, for Ms. Bezner, as to whom the possible subpoena should be directed or to whom the Trustee should look for access to documents and who is trying to expedite this and avoid costly motion practice.

MR. MARTIN: Yeah, and we've been doing that informally as well, identifying folks for Mr. Stolz and he's been reaching out or subpoenaing them. Mr. Frungillo is one example. We identified him for Ms. Bezner.

THE COURT: Now, Mr. Martin is one of the parties who suggested that argument on these matters should be in person here in Trenton to facilitate possibly the Court sitting down with the parties as part of a settlement conference. I will avoid the label mediation. I know some on this call don't look favorably upon this presiding Judge mediating their own matters. So I don't know of any judge that doesn't handle settlement conferences.

But, in all candor, I'm not going to advocate for that unless everybody is comfortable and on board in doing that. I have colleagues here down the hall, upstairs, who can

facilitate any type of mediation efforts. If the parties feel that, as in many cases, that because I'm the presiding Judge, I actually have greater insight into the issues in the case because of the history, I'm happy to do so.

But as with every situation where I mediate cases that are before me, I want consent. So I would ask you all to meet and confer and discuss that.

MR. STOLZ: If I can explain, Your Honor, our hesitancy to do it at this stage. We think it's premature. We just don't have enough information or understanding of the case. We had schedules filed on March 17. Mr. Silber appeared for a brief 341 hearing and we were looking for the thousands of pages. We just don't think we could -- I assume what Mr. Martin wants is a discharge because I don't know what else the debtor could get other than a discharge.

And there are six motions, I think, to extend time to file non-dischargeability cases. So I think the case is just too young to be in a position where it would be productive to have a mediation. I'm a big fan of mediation. I just don't think it's ripe yet.

THE COURT: Well, that's the approach we take with our mediation panel here in the district. We provide for mandatory mediation of adversary proceedings, for instance, but we recognize that in some situations there needs to be some measure of discovery.

MR. MARTIN: May I comment, Your Honor?

THE COURT: Sure. But I just want to note that unless there is buy-in and a willingness to engage, it's futile to have mediation or a settlement conference.

So, Mr. Martin, what are your thoughts?

(No audible response)

THE COURT: Mr. Martin?

MR. MARTIN: Yeah, I'm considering my words.

So the most valuable thing for us, given how we led this off, Your Honor, in discussion of conflict, the most valuable thing for us is to have Ms. Bezner in the room because when I speak with Mr. Stolz, I'm not sure to whom I am speaking, honestly.

And Mr. Stolz just blurted out, we think it's premature. Well, what does his client think? She's not here. I'd like to know that because, from my knowledge and history with Ms. Bezner, it's always better to talk at any stage. We believe, and this is a part I'm not even -- there's parts I can't even talk about, but we think that we have significant value, very significant value to offer Ms. Bezner.

We've been trying to get into a room. Why not talk? Why not talk? Why, I want to churn? I want to litigate? I want to do discovery? I want to file adversary proceedings, which I'm now withdrawing in order to show cause? It is not valuable.

THE COURT: I have no reason to believe that Mr. Stolz doesn't engage with his client and hasn't discussed mediation. If I'm wrong, Mr. Stolz, I certainly think you should and discuss timing. This isn't for this Court to put its thumb on the scale at this point on this. You need to discuss this among yourselves in a meet and confer about what needs to happen before you undertake mediation.

Clearly, it makes sense if there's an opportunity to avoid costly litigation. The estate benefits. That goes without saying.

MR. MARTIN: Can I have assurance that whatever I discuss with Mr. Stolz will not go back to the CBRM estate?

MR. STOLZ: Absolutely.

MR. MARTIN: Mr. Corbi, you're comfortable with that?

MR. CORBI: I have to discuss with my client, but my view is I think mediation is very premature, given just the limited discovery we've gotten. And I've had to file motions to compel accounting firms to send documents. I get notifications that there are more things we don't know about as we're peeling back this onion. So I think mediation is premature.

And I take no position on whether a sitting judge can mediate his own cases or have a settlement conference. That's not the issue for me. It's just like, I can't go into a mediation blind. And I think, given what happened with

Mr. Silber in the CBRM debtors when White & Case commenced discovery against him, and what's going on now, it is premature.

And we're not churning files or doing anything like that. First of all, there isn't money to do that as we just had a big fight for the last five months over who's owed what in terms of professional fees and certain firms on this call have not been paid yet. So the churning of the file, no, that ain't happening.

But I do think you have to have information and you can't go into a mediation blind. And I think any mediation there's going to -- and I'll go back to the beginning of this call where I said that conflict was a sideshow because the real issue is probably the funds over this bank, and maybe other funds, are going to be subject to a lot of interpleader action.

And then, once that is properly teed up and properly ripe for the Court, then I think maybe you can go to a mediation. But until then, I mean, it's still too early in the case. And there is, as Mr. Stolz says, I think there are six creditors that have asked for extensions of the discharge. I know the Creditor Recovery Trustee's is coming up on June 8th. We're probably going to have to ask for another extension. I know the order continues until all discovery is done. But I just think it's too early right now.

And as far as being in person, I go wherever the

meetings are. People know me. I travel all over the country. If I've got to meet in a booth in Times Square, I'll be there.

THE COURT: All right. I appreciate that, Mr. Corbi.

Mr. Martin, and for all, it sounds to me that there's not an appetite at this point to sit down with me or anybody else for mediation. That's not to say it won't change as discovery progresses, and I'll always urge the parties to consider it earlier than later. Nor am I going to have people come down to Trenton to expend more dollars for administration in travel for the specter of a potential settlement or a conversation in chambers.

We'll keep the hearing on June 8th remote. When the parties are ready to engage, I will facilitate, either through me or through a colleague or through an independent mediator that you all select. And if there's a sense that a settlement conference would be worthwhile on any issue that arises, I think you all know who practice in my Court that I'm available. But, at this juncture, I would say there's not the appetite, there's not the buy-in, that makes it a sensible next step.

So we've moved things to June 8th at 11:30. We'll mark it remote. The parties should continue professional dialogue, engaging with each other, as you have been doing. And to the extent you think there could be a third-party neutral who would assist, you'll reach out for the Court.

Are there other issues that the parties need for me

to address?

MR. STOLZ: No, Your Honor.

THE COURT: Well, it's been a worthwhile hour.

All right. folks.

MR. MARTIN: Thank you, Your Honor.

THE COURT: Take care.

MR. STOLZ: Thank you, Judge.

MR. CORBI: Thank you, Judge.

(Proceedings conclude at 1:51 p.m.)

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

I, KAREN K. WATSON, court-approved transcriber, hereby 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/ Karen K. Watson DATE: May 15, 2026
KAREN WATSON, AAERT CET-1039

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