Docket #0860 Date Filed: 09/17/2026

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
U.S. COURTHOUSE
402 E. STATE STREET
TRENTON, NEW JERSEY 08608

Hon. Michael B. Kaplan **609-858-9360**
Judge, United States Bankruptcy Court

September 17, 2026

Re: *In re CBRM Realty Inc., et al., Case No. 25-15343 (MBK)*

To: All Parties in Interest & Counsel

Pending before the Court is the above-captioned debtors'[1] Motion for Entry of an Order (A) Enforcing Confirmed Chapter 11 Plans, (B) Requiring Creditor Recovery Trustee to Transfer Cash to Fee Escrow Account, and (C) Granting Related Relief [Docket No. 850] (the "Motion"), which the Court took on reserve after hearing oral argument on September 8, 2026. After affording the parties ample opportunity to reach an amicable resolution of the issues, the Court issues the within ruling.

The narrow question before the Court is whether compensation owing to the Creditor Recovery Trustee, in the form of an agreed performance fee payable and measured on the basis of distributions to claimants under the confirmed CBRM and Crown Capital Plans[2], may be treated as an antecedent Creditor Recovery Trust expense and paid prior to satisfaction of claims addressed under Article II.A of the Plans[3]. The Court answers this question in the affirmative but further directs that the funding source for such payment of performance fees be limited to the $883,000

[1] The Debtors in these chapter 11 cases are: CBRM Realty Inc., Crown Capital Holdings LLC, Kelly Hamilton Apts LLC, Kelly Hamilton Apts MM LLC, RH Chenault Creek LLC, RH Copper Creek LLC, RH Lakewind East LLC, RH Windrun LLC, RH New Orleans Holdings LLC, RH New Orleans Holdings MM LLC, and Laguna Reserve Apts Investor LLC.

[2] On September 5, 2025, the Court entered an order confirming the CBRM Plan as to CBRM Realty Inc., Kelly Hamilton Apts MM LLC, and Kelly Hamilton Apts LLC [Docket No. 525]. On October 23, 2025, the Court entered an order confirming the Crown Capital Plan as to Crown Capital Holdings LLC, RH New Orleans Holdings LLC, RH New Orleans Holdings MM LLC, Laguna Reserve Apts Investor LLC, RH Chenault Creek LLC, RH Copper Creek LLC, RH Lakewind East LLC, and RH Windrun LLC [Docket No. 653][hereinafter collectively referred as "Plans"]. On November 12, 2025, the CBRM Plan went effective following the closing of the Kelly Hamilton Sale Transaction [Docket No. 673]. On January 9, 2026, the Crown Capital Plan went effective following the closing of the NOLA Sale Transaction [Docket No. 725].

[3] Article II of the Chapter 11 Plans governs the treatment of administrative claims and professional fees, including Allowed Professional Compensation Claims. Article II.A of the CBRM Plan establishes the priority waterfall for payment of General Administrative Claims from Creditor Recovery Trust Assets.

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seed funding ("Funding Amount") fixed and provided to the Creditor Recovery Trust under a prior order of this Court, dated April 10, 2026 [Docket No. 786], without resort to other cash from the Creditor Recovery Trust assets. In setting and approving the Funding Amount, the Court understood and considered that the $883,000 was sufficient to cover the Trust's costs and expenses in pursuing meaningful recoveries for all claimants and beneficiaries. Of course, the Court takes no issue with the inclusion of some or all of the Trustee's compensation as part of such funding.

In reaching its decision, the Court recognizes that during the course of considerable ongoing investigation efforts and anticipated litigation, the Trustee may find that the Funding Amount has been depleted to a point where performance fees and other compensation and expenses cannot be satisfied. At that point, the Trustee may come back before the Court, having made an accounting of all disbursements from the Funding Amount available to the Court and all parties in interest, and seek judicial authorization to surcharge future distributions or other comparable relief. The Motion is granted and the parties are directed to settle an order within ten days.

Respectfully,

Honorable Michael B. Kaplan
United States Bankruptcy Judge