

DEBEVOISE & PLIMPTON LLP

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fyudkin@coleschotz.com

Co-Counsel to the Debtor and Debtor in Possession

Co-Counsel to the Debtor and Debtor in Possession

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

In re:

CCA Construction, Inc.,¹

Debtor.

Chapter 11

Case No. 24-22548 (CMG)

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

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



I, M. Natasha Labovitz, being duly sworn, state the following under penalty of perjury.

1. I am a partner in the law firm of Debevoise & Plimpton LLP (“**Debevoise**”), with an office at 66 Hudson Boulevard, New York, New York 10001. I am a member in good standing of the Bar of the State of New York. I was admitted to appear before this Court *pro hac vice* in this case on December 31, 2024. I represent the above-captioned debtor and debtor in possession, CCA Construction, Inc. (“CCA”) in this case.

2. I submit this declaration in support of the *Debtor’s Objection to Motion of BML Properties, Ltd. for Entry of an Order (A) Confirming Direct Claims Against CSCEC Holding Company, Inc., (B) Granting Limited Relief from the Automatic Stay to Pursue Post-Judgment Relief in New York State Court or Other Appropriate Forum, (C) Granting Derivative Standing to Pursue Estate Alter Ego Claims Against CSCEC Holding Company, Inc., and (D) Granting Related Relief* filed on September 8, 2025 [Docket No. 475] (the “**Standing Objection**”).²

3. This declaration is based on a review of relevant records and personal knowledge.

4. Attached hereto as **Exhibit A** is a true and correct copy of email correspondence from in or around August 18, 2025 and prior thereto, among Brett S. Theisen, Esq., Robert K. Malone, Esq., Christopher P. Anton, Esq., and Kyle P. McEvilly, Esq., Gibbons P.C., as counsel to BMLP, Michael D. Sirota, Warren A. Usatine, and Felice R. Yudkin, Cole Schotz, P.C., as co-counsel to the Debtor, Morris S. Bauer, Esq., Duane Morris LLP, as counsel to the Special Committee of Independent Directors, and me, concerning BMLP’s request that the Debtor make a settlement demand on CSCEC Holding, as further described in the Standing Motion, which I personally received from the author of the email.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Standing Objection.

5. Attached hereto as **Exhibit B** is a true and correct copy of email correspondence from in or around August 15, 2025 and prior thereto, among Brett S. Theisen, Esq., and Robert K. Malone, Esq., Gibbons P.C., as counsel to BMLP, Michael D. Sirota, Steven L. Klepper, Warren A. Usatine, and Felice R. Yudkin, Cole Schotz, P.C., as co-counsel to the Debtor, Morris S. Bauer, Esq., Duane Morris LLP, as counsel to the Special Committee of Independent Directors, and me, concerning BMLP's request that the Debtor make a settlement demand on CSCEC Holding, as further described in the Standing Motion, which I personally received from the author of the email.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: October 6, 2025
New York, New York

/s/ M. Natasha Labovitz
M. Natasha Labovitz

Exhibit A

From: Theisen, Brett S. <BTheisen@gibbonslaw.com>
Sent: Monday, August 18, 2025 10:16 AM
To: Labovitz, Natasha
Cc: Morris S. Bauer; msirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Malone, Robert K.; Anton, Christopher P.; McEvilly, Kyle P.; CCA Restructuring
Subject: RE: CCA

Follow Up Flag: Follow up
Flag Status: Completed

EXTERNAL

That time works for us. Thank you.

BRETT S. THEISEN | Director
Vice Chair, Financial Restructuring & Creditors' Rights Group
t: 212-613-2065 | c: 917-524-5987 | f: 212-554-9697
btheisen@gibbonslaw.com | [bio](#)

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m: 212-613-2000 | f: 212-290-2018 | [office](#) | [map](#)

GIBBONS

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From: Labovitz, Natasha <nlabovitz@debevoise.com>
Sent: Saturday, August 16, 2025 5:38 PM
To: Theisen, Brett S. <BTheisen@gibbonslaw.com>
Cc: Morris S. Bauer <MSBauer@duanemorris.com>; msirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Malone, Robert K. <RMalone@gibbonslaw.com>; Anton, Christopher P. <CAnton@gibbonslaw.com>; McEvilly, Kyle P. <KMcEvilly@gibbonslaw.com>; CCA Restructuring <CCARestructuring@debevoise.com>
Subject: Re: CCA

Brett,

After checking with the cc's, 11 am on August 20 seems like the best time to meet. A calendar invitation with a zoom link will follow separately.

— Natasha

On Aug 15, 2025, at 11:50 AM, Theisen, Brett S. <BTheisen@gibbonslaw.com> wrote:

EXTERNAL

Natasha,

While BMLP is disappointed that CCA has not yet made a demand on CSCEC Holding, we are available for a meeting with the Special Committee on August 20. Please advise as to details on scheduling.

-Brett

BRETT S. THEISEN | Director

Vice Chair, Financial Restructuring & Creditors' Rights Group

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From: Labovitz, Natasha <nlabovitz@debevoise.com>

Sent: Monday, August 11, 2025 9:06 PM

To: Theisen, Brett S. <BTheisen@gibbonslaw.com>

Cc: Morris S. Bauer <MSBauer@duanemorris.com>; MSirota@coleschotz.com; wusatine@coleschotz.com;

FYudkin@coleschotz.com; Malone, Robert K. <RMalone@gibbonslaw.com>; Anton, Christopher P.

<CAnton@gibbonslaw.com>; McEvilly, Kyle P. <KMcEvilly@gibbonslaw.com>; CCA Restructuring

<CCARestructuring@debevoise.com>

Subject: RE: CCA

External Email: Use caution with links and attachments.

Brett,

As previewed to you yesterday, we had a meeting of the special committee today. Following discussion, Elizabeth would like to meet with both BMLP and CSCEC Holding (separately, at this stage) to discuss appropriate next steps following the report of the special committee investigation, including the potential monetization of claims and assets in a way that will maximize the value of CCA's estate. To that end, could you let us know your availability for a zoom meeting on any of the following dates?

8/20: 10-2

8/27: 11-12

8/28: All day except 1-2

It's fine if you want to bring just professionals on your side, or equally welcome if you wish to bring a principal from BMLP. Our goal is to constructively and substantively progress the chapter 11 case.

Separately, I noted (and we discussed) your emails of Friday and Sunday describing your interpretation of the special committee report and identified claims. We think it makes most sense for Cole Schotz to respond substantively, and they are preparing a thoughtful response at Elizabeth's direction.

M. Natasha Labovitz (she/her/hers) | Debevoise & Plimpton LLP | nlabovitz@debevoise.com | +1 212 909 6648 (Tel) | +1 917 573 9401 (Mobile) | www.debevoise.com

This e-mail message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure. If you are not the intended recipient, please do not disseminate, distribute or copy this communication, by e-mail or otherwise. Instead, please notify us immediately by return e-mail (including the original message in your reply) and by telephone (you may call us collect in New York at 1-212-909-6000) and then delete and discard all copies of the e-mail. Thank you.

The latest version of our Privacy Policy, which includes information about how we collect, use and protect personal data, is at www.debevoise.com.

From: Labovitz, Natasha <nlabovitz@debevoise.com>

Sent: Sunday, August 10, 2025 1:08 PM

To: Brett S. Theisen <BTheisen@gibbonslaw.com>

Cc: Morris S. Bauer <MSBauer@duanemorris.com>; Worenklein, Elie J. <eworenklein@debevoise.com>; MSirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Robert K. Malone <RMalone@gibbonslaw.com>; Christopher P. Anton <CAnton@gibbonslaw.com>; Kyle P. McEvilly <KMcEvilly@gibbonslaw.com>

Subject: Re: CCA

Brett, I will point you to the first sentence of my email, which said that we have a special committee meeting tomorrow and I would pass it along for discussion. May I suggest that you take a deep breath, get outside, and enjoy this beautiful day. The work week will come soon enough.

-- Natasha

On Aug 10, 2025, at 12:35 PM, Theisen, Brett S. <BTheisen@gibbonslaw.com> wrote:

EXTERNAL

Natasha,

You did not actually respond to our request. We requested that the Special Committee make a 10-figure settlement demand on CSCEC Holdings now. The logic of this is obvious – it would massively benefit the estate to resolve its biggest liability and give CSCEC Holdings a path to continue to control the Debtor. Since the report concludes that there are colorable claims for estate alter ego claims, why not make the demand?

Your e-mail seems to try to backtrack as to the report's conclusions of pursuing the claims. The report unambiguously states that the claims are colorable (and the report was done without the benefit of obtaining testimony under oath or through adversarial discovery) but it is solely **cost** and **time** for the estate that made the Special Committee raise the question of ultimate viability.

1. Time should not matter at all because, as it is undisputed, the Debtor produces no revenue, has run up a large DIP obligation with no obvious ability to repay it, and does not need its parent to continue operations because there are no meaningful operations.

1. As for costs, we are not aware of any effort to actually pursue litigation against CSCEC Holdings. The report made no mention of this – one of many aspects where it has fallen short.

We remind you the estate owes its creditors fiduciary duties. The largest creditor, holding more than 99.99% of non-insider claims, firmly believes that the best path forward is to confront CSCEC Holdings, not kowtow to it through a plan that is designed to benefit insiders to the detriment of non-insiders. We stand by our request. If you choose not to do so, we will pursue rights.

-Brett

BRETT S. THEISEN | Director

Vice Chair, Financial Restructuring & Creditors' Rights Group

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From: Labovitz, Natasha <nlabovitz@debevoise.com>

Sent: Saturday, August 9, 2025 1:13 PM

To: Theisen, Brett S. <BTheisen@gibbonslaw.com>

Cc: Morris S. Bauer <MSBauer@duanemorris.com>; Worenklein, Elie J. <eworenklein@debevoise.com>; msirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Malone, Robert K. <RMalone@gibbonslaw.com>; Anton, Christopher P. <CAnton@gibbonslaw.com>; McEvilly, Kyle P. <KMcEvilly@gibbonslaw.com>

Subject: Re: CCA

Brett,

We are meeting with the special committee on Monday and will share your email for discussion at that time.

That having been said, as was explained to you directly by Ms. Abrams during our meeting on June 17, the plan term sheet contemplates a transaction under which a plan sponsor, whether CSCEC Holding or some other purchaser, would acquire all of CCA's assets for value. Ms. Abrams explained to you in June that she viewed CCA's assets as falling into two primary buckets: the stock CCA owns in its operating subsidiaries, and any claims and causes of action that might be identified in the special committee report.

Ms. Abrams further explained to you in June that she was engaged in the process of assessing the value of each bucket of assets. She explained her intention to engage an advisor to conduct a preliminary valuation of the subsidiaries, which is underway. And, she explained that the value of other assets would be analyzed through the special committee investigation, which she described at that time as being both impartial and robust.

We recognize that BMLP repeatedly predicted that the special committee report would be a "whitewash" that would not uncover any claims. Both CCA and the Special Committee, however, have been aware from the beginning that the investigation was real and comprehensive, and the current draft of the plan term sheet takes that into account, providing a clear mechanism for CCA, through the Special Committee, to realize appropriate value on account of both

buckets of CCA's assets. If you have any questions about that, we are - as we have repeatedly explained - available to discuss the plan term sheet with you.

In the meantime, I must take a moment to remind you that the special committee report identified potential claims and also assessed their viability. BMLP has noted more than once, both in correspondence and in Thursday's court hearing, that the report identifies certain colorable claims. I am sure you have noticed - but, nevertheless, am constrained to remind you for the record - that the special committee's report goes on to analyze the *viability* of any claims identified as facially colorable, finding most if not all of the colorable claims to have limited or questionable viability. That thoughtful and careful analysis will be taken into account as the value of any claims and causes of action is assessed, consistent with the Bankruptcy Code, Bankruptcy Rules, and applicable case law.

Much as I appreciate our back-and-forth over email, I continue to think the most productive path forward would be to meet for a substantive conversation, rather than exchanging more correspondence. During Monday's special committee meeting, we will identify possible dates for a meeting and revert to you.

Best —

— Natasha

On Aug 8, 2025, at 2:22 PM, Theisen, Brett S. <BTheisen@gibbonslaw.com> wrote:

EXTERNAL

Natasha,

I am following up on Judge Gravelle's question about the status of settlement and statements you made. As I stated on the record, there has been no proposal to BMLP by the Debtor's parent to settle any claims against it, including estate claims for which BMLP, as the holder of 99.99% of the non-insider unsecured claim class, would be the beneficiary owed fiduciary duties by the estate. Nor has the Special Committee itself made a proposal, save the skeletal term sheet you sent, which appeared to us to have been written solely for the benefit of CSCEC Holdings.

And now the Special Committee itself has recognized that there are colorable estate claims against CSCEC Holdings, including one for alter ego to hold CSCEC Holdings liable for the entire \$1.7 billion judgment. One would think the Special Committee would want to work arm in arm with us to see CSCEC Holdings be convinced to fund ten figures to resolve these claims. But all we have heard is a "toggle" plan that gives CSCEC Holdings the inside track to buy releases on the cheap. There have been no alternatives explored that have been shared with us, including prosecuting estate claims.

In the meantime, these cases have been languishing in chapter 11 for eight months. The Debtor has apparently failed to produce a single dollar of revenue, meaning the entire DIP funding has been used to pay professionals and see the Debtor lose money.

Accordingly, and given the now confirmed view of the Special Committee that there are colorable estate claims (in addition to our own direct claims), you should put forth in writing and share with us a draft settlement demand to CSCEC Holdings that we can consider and look to be on board with in advance of any proposed plan; ignoring us and thinking that the Debtor can simply team up with its parent and cram down a plan that gives CSCEC Holdings estate releases for virtually no return to general unsecured creditors is a waste of time and resources.

Please confirm that you will provide such a draft written demand by August 13, 2025. All rights reserved.

-Brett

BRETT S. THEISEN | Director

Vice Chair, Financial Restructuring & Creditors' Rights Group

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btheisen@gibbonslaw.com | [bio](#)

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Exhibit B

From: Klepper, Steven <SKlepper@coleschotz.com>
Sent: Friday, August 15, 2025 4:05 PM
To: btheisen
Cc: rmalone; Labovitz, Natasha; Morris S. Bauer; Sirota, Michael; Usatine, Warren; Yudkin, Felice
Subject: CCA

EXTERNAL

Brett:

We received your email, dated August 10, 2025 (copied below), and hereby respond to address certain statements made therein. Specifically, your email asserts that the Report of the Special Committee of Independent Directors of CCA Construction, Inc. (the "Report") "unambiguously stated that the claims [identified in the Report] are colorable . . . but it is solely cost and time for the estate that made the Special Committee raise the question of ultimate viability." This assertion is not entirely accurate.

First, the Report did not "unambiguously" conclude that all the potential claims addressed in the Report are colorable. In fact, the Report concluded that the following potential claims are not colorable:

- I [REDACTED]
- I [REDACTED]
- I [REDACTED]
- I [REDACTED]

Second, as to the claims that the Report concluded are or may be colorable, your assertion that the Report only considered the viability of such claims based "solely cost and time for the estate" is not accurate. Rather, the Report considered numerous additional factors that weighed on each claim's viability. The Report concluded that the following potential claims are or may be colorable, but may not be viable for several reasons:

- I [REDACTED]
- I [REDACTED]
- I [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Best,
Steve.

STEVEN KLEPPER
MEMBER

OFFICE 646.563.8947

EMAIL sklepper@coleschotz.com

Court Plaza North | 25 Main Street | Hackensack, NJ 07601

NEW JERSEY NEW YORK DELAWARE MARYLAND TEXAS FLORIDA WASHINGTON, D.C.

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Legal Practice Assistant: Veronica M. Marshman | 201.489.3000 x 5011 | vmarshman@coleschotz.com

From: Labovitz, Natasha <nlabovitz@debevoise.com>

Sent: Monday, August 11, 2025 10:06 PM

To: Brett S. Theisen <BTheisen@gibbonslaw.com>

Cc: Morris S. Bauer <MSBauer@duanemorris.com>; MSirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Robert K. Malone <RMalone@gibbonslaw.com>; Christopher P. Anton <CAnton@gibbonslaw.com>; Kyle P. McEvilly <KMcEvilly@gibbonslaw.com>; CCA Restructuring <CCARestructuring@debevoise.com>

Subject: RE: CCA

Brett,

As previewed to you yesterday, we had a meeting of the special committee today. Following discussion, Elizabeth would like to meet with both BMLP and CSCEC Holding (separately, at this stage) to discuss appropriate next steps following the report of the special committee investigation, including the potential monetization of claims and assets in a way that will maximize the value of CCA's estate. To that end, could you let us know your availability for a zoom meeting on any of the following dates?

8/20: 10-2

8/27: 11-12

8/28: All day except 1-2

It's fine if you want to bring just professionals on your side, or equally welcome if you wish to bring a principal from BMLP. Our goal is to constructively and substantively progress the chapter 11 case.

Separately, I noted (and we discussed) your emails of Friday and Sunday describing your interpretation of the special committee report and identified claims. We think it makes most sense for Cole Schotz to respond substantively, and they are preparing a thoughtful response at Elizabeth's direction.

M. Natasha Labovitz (she/her/hers) | Debevoise & Plimpton LLP | nlabovitz@debevoise.com | +1 212 909 6648 (Tel) | +1 917 573 9401 (Mobile) | www.debevoise.com

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The latest version of our Privacy Policy, which includes information about how we collect, use and protect personal data, is at www.debevoise.com.

From: Labovitz, Natasha <nlabovitz@debevoise.com>

Sent: Sunday, August 10, 2025 1:08 PM

To: Brett S. Theisen <BTheisen@gibbonslaw.com>

Cc: Morris S. Bauer <MSBauer@duanemorris.com>; Worenklein, Elie J. <eworenklein@debevoise.com>; MSirota@coleschotz.com; wusatine@coleschotz.com; FYudkin@coleschotz.com; Robert K. Malone <RMalone@gibbonslaw.com>; Christopher P. Anton <CAnton@gibbonslaw.com>; Kyle P. McEvilly <KMcEvilly@gibbonslaw.com>

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-- Natasha

On Aug 10, 2025, at 12:35 PM, Theisen, Brett S. <BTheisen@gibbonslaw.com> wrote:

EXTERNAL

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1. Time should not matter at all because, as it is undisputed, the Debtor produces no revenue, has run up a large DIP obligation with no obvious ability to repay it, and does not need its parent to continue operations because there are no meaningful operations.
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-Brett

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Subject: Re: CCA

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In the meantime, I must take a moment to remind you that the special committee report identified potential claims and also assessed their viability. BMLP has noted more than once, both in correspondence and in Thursday’s court hearing, that the report identifies certain colorable claims. I am sure you have noticed - but, nevertheless, am constrained to remind you for the record - that the special committee’s report goes on to analyze the *viability* of any claims identified as facially colorable, finding most if not all of the colorable claims to have limited or questionable viability. That thoughtful and careful analysis will be taken into account as the value of any claims and causes of action is assessed, consistent with the Bankruptcy Code, Bankruptcy Rules, and applicable case law.

Much as I appreciate our back-and-forth over email, I continue to think the most productive path forward would be to meet for a substantive conversation, rather than exchanging more correspondence. During Monday’s special committee meeting, we will identify possible dates for a meeting and revert to you.

Best —

— Natasha

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EXTERNAL

Natasha,

I am following up on Judge Gravelle’s question about the status of settlement and statements you made. As I stated on the record, there has been no proposal to BMLP by the Debtor’s parent to settle any claims against it, including estate claims for which BMLP, as the holder of 99.99% of the non-insider unsecured claim class, would be the beneficiary owed fiduciary duties by the estate. Nor has the Special Committee itself made a proposal, save the skeletal term sheet you sent, which appeared to us to have been written solely for the benefit of CSCEC Holdings.

And now the Special Committee itself has recognized that there are colorable estate claims against CSCEC Holdings, including one for alter ego to hold CSCEC Holdings liable for the entire \$1.7 billion judgment. One would think the Special Committee would want to work arm in arm with us to see CSCEC Holdings be convinced to fund ten figures to resolve these claims. But all we have heard is a “toggle” plan that gives CSCEC Holdings the inside track to buy releases on the cheap. There have been no alternatives explored that have been shared with us, including prosecuting estate claims.

In the meantime, these cases have been languishing in chapter 11 for eight months. The Debtor has apparently failed to produce a single dollar of revenue, meaning the entire DIP funding has been used to pay professionals and see the Debtor lose money.

Accordingly, and given the now confirmed view of the Special Committee that there are colorable estate claims (in addition to our own direct claims), you should put forth in writing and share with us a draft settlement demand to CSCEC

Holdings that we can consider and look to be on board with in advance of any proposed plan; ignoring us and thinking that the Debtor can simply team up with its parent and cram down a plan that gives CSCEC Holdings estate releases for virtually no return to general unsecured creditors is a waste of time and resources.

Please confirm that you will provide such a draft written demand by August 13, 2025. All rights reserved.

-Brett

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