

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	)	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	)	)	Case No. 19-12239 (CSS)
Debtor.	)	)	<b>Re: Docket No. 4</b>

**Objection Deadline: November 12, 2019 at 4:00 p.m. (ET)**  
**Hearing Date: November 19, 2019 at 12:00 p.m. (ET)**

**NOTICE OF MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) EXTENDING TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND STATEMENT OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF**

TO: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the District of Delaware; (c) the Debtor’s twenty largest unsecured creditors; (d) the Debtor’s principal secured parties; (e) counsel to any statutory committee appointed in the case; and (f) any party that has requested notice pursuant to Bankruptcy Rule 2002.

**PLEASE TAKE NOTICE** that on October 16, 2019 (the “Petition Date”), the above-captioned debtor and debtor in possession (collectively, the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), with the Clerk of the United States Bankruptcy Court for the District of Delaware. The Debtor is continuing to operate its business and manage its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

**PLEASE TAKE FURTHER NOTICE** that on October 16, 2019, the Debtor filed the *Motion of Debtor for Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Executory Contracts and Unexpired Leases, and Statement of Financial Affairs, and (II) Granting Related Relief* (the “Motion”) [Docket No. 4] with the

<sup>1</sup> The Debtor’s last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.



United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 (the "Bankruptcy Court"). A copy of the Motion is attached hereto as **Exhibit 1**.

**PLEASE TAKE FURTHER NOTICE** that any response or objection to the Motion must be filed with the Bankruptcy Court on or before **November 12, 2019 at 4:00 p.m. (Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that at the same time, you must also serve a copy of the response or objection upon: (i) proposed counsel for the Debtor: Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: James E. O'Neill, Esq. (joneill@pszjlaw.com) and Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13th Floor, Los Angeles, CA 90067, Attn: Jeffrey N. Pomerantz, Esq. (jpomerantz@pszjlaw.com); and (ii) the Office of the United States Trustee: 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane M. Leamy, Esq. (jane.m.leafy@usdoj.gov).

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD ON NOVEMBER 19, 2019 AT 12:00 P.M. (EASTERN TIME) BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, CHIEF UNITED STATES BANKRUPTCY COURT JUDGE, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.**

Dated: October 18, 2019

PACHULSKI STANG ZIEHL & JONES LLP

/s/ James E. O'Neill

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Proposed Counsel for the Debtor and Debtor in  
Possession

**Exhibit 1**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	)	Case No. 19-12239 (CSS)
Debtor.	)	

**MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) EXTENDING TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND STATEMENT OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF**

The above-captioned debtor and debtor in possession (the “Debtor”) files this motion (this “Motion”) for the entry of an order, substantially in the form attached as **Exhibit A**: (i) extending the deadline by which the Debtor must file its schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statement of financial affairs (collectively, the “Schedules and Statements”) for an additional thirty (30) days; and (ii) granting related relief. In support of this Motion, the Debtor respectfully represents as follows:

**Jurisdiction and Venue**

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtor confirms its consent pursuant to Rule 9013-1(f) of the Local

<sup>1</sup> The Debtor’s last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

Docket # 4  
Date 10/16/19

Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a) and 521 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 1007(c) and 9006(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 1007-1(b).

#### **Background**

4. On the date hereof (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor has continued in the possession of its property and has continued to operate and manage its business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in this chapter 11 case.

5. A more detailed description of the business and operations of the Debtor, and the events leading to the commencement of this chapter 11 case, is provided in the *Declaration of Frank Waterhouse in Support of First Day Motions*, filed concurrently herewith (the “Declaration”) and incorporated herein by reference.<sup>2</sup>

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Declaration.

**Relief Requested**

6. The Debtor seeks entry of an order substantially in the form attached hereto as **Exhibit A**: (a) extending the deadline by which the Debtor must file its Schedules and Statements by thirty (30) days in addition to the extension provided by Local Rule 1007-1(b), for a total of fifty-eight (58) days from the Petition Date, without prejudice to the Debtor's ability to request additional extensions for cause shown, and (b) granting related relief.

**Basis for Relief**

**A. Extension of Time for Filing of the Schedules and Statements**

7. Local Rule 1007-1(b) extends the filing deadline for the Schedules and Statements to twenty-eight (28) days after the petition date if the bankruptcy petition is accompanied by a list of all of the debtor's creditors and their addresses, in accordance with Local Rule 1007-2, and if the total number of creditors in a debtor's case or, in the case of jointly administered cases, the debtors' cases, exceeds 200. *See* 11 U.S.C. § 521 (requiring debtor to file Schedules and Statements). The Debtor in the instant case has filed a list of creditors in accordance with Local Rule 1007-2, which list reflects that the total number of creditors exceeds 200. The current deadline to file the Schedules and Statements is November 13, 2019.

8. This Court has the authority to grant the requested extension to file the Schedules and Statements under Bankruptcy Rules 1007(c) and 9006(b) and Local Rule 1007-1(b). Bankruptcy Rule 1007(c) together with Bankruptcy Rule 9006(b) allows the Court to extend the filing deadline for the Schedules and Statements "for cause shown." Fed. R. Bankr.

P. 9006(b). Similarly, Local Rule 1007-l(b) provides that such an extension may be granted for cause.

9. Here, good and sufficient cause for granting an extension of time to file the Schedules and Statements exists. To prepare the Schedules and Statements, the Debtor must compile information from books, records, and documents relating to creditor claims, as well as the Debtor's many assets and contracts. This information is voluminous and collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtor, its employees, and its professional advisors in the near term, when these resources would be best used to focus on the transition into chapter 11.

10. Given the amount of work entailed in completing the Schedules and Statements and the competing demands on the Debtor's employees and professionals to assist in efforts to stabilize business operations and facilitate the marketing process for the Debtor's businesses during the initial postpetition period, the Debtor requests a brief extension to accurately complete the Schedules and Statements.

11. Before filing this case, the Debtor focused on preparing for the chapter 11 filing and preparing the business to transition into chapter 11. Such efforts made it difficult for the Debtor to prepare the Schedules and Statements. Although the Debtor has commenced the process that will enable it to prepare and finalize the Schedules and Statements, the Debtor anticipates that they may require at least thirty (30) additional days to complete the Schedules and Statements. The Debtor therefore requests that the Court extend the 28-day period for an

additional thirty (30) days, without prejudice to the Debtor's right to request further extensions, for cause shown.

12. The Debtor submits that the extensive amount of information that must be assembled and compiled and the hundreds of employee and professional hours required to complete the Schedules and Statements constitute good and sufficient cause for granting the requested extension of time.

13. Further, courts in this District have granted similar relief to that requested herein in a number of cases. *See, e.g., In re iPic-Gold Class Entertainment LLC*, Case No. 19-11739 (LSS) (Bankr. D. Del. Sept. 6, 2019); *In re Insys Therapeutics, Inc.*, Case No. 19-11292 (KG) (Bankr. D. Del. June 28, 2019) (granting extension of an additional 21 days); *In re Kona Grill, Inc.*, Case No. 19-10953 (CSS) (Bankr. D. Del. May 28, 2019) (granting extension of an additional 21 days); *In re Tintri, Inc.*, Case No. 18-11625 (KJC) (Bankr. D. Del. July 10, 2018); *In re Vitamin World, Inc.*, Case No. 17-11933 (KJC) (Bankr. D. Del. Oct. 6, 2017); *In re CMTSU Liquidation, Inc.*, Case No. 17-10772 (BLS) (Bankr. D. Del. Apr. 28, 2017); *In re Eastern Outfitters, LLC*, Case No. 17-10243 (LSS) (Bankr. D. Del. Mar. 2, 2017); *In re FLAC Corp.*, Case No. 16-12238 (BLS) (Bankr. D. Del. Nov. 29, 2016).

#### Notice

14. Notice of this Motion shall be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee; (b) the Office of the United States Attorney for the District of Delaware; (c) the Debtor's principal secured parties; (d) counsel to any statutory committee appointed in the case; and (e) parties requesting

notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

15. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests the entry of an order, substantially in the form attached to this Motion as **Exhibit A**, (a) granting the relief requested herein, and (b) granting such other relief as is just and proper.

Dated: October 16, 2019

PACHULSKI STANG ZIEHL & JONES LLP

*/s/ James E. O'Neill*

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Richard M. Pachulski (CA Bar No. 62337)  
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*Proposed Counsel for the Debtor  
and Debtor in Possession*

**EXHIBIT A**

**Proposed Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)		Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	)		Case No. 19-12239 (CSS)
Debtor.	)		

**ORDER (I) EXTENDING TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND STATEMENT OF FINANCIAL AFFAIRS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtor and debtor in possession (the “Debtor”) for entry of an order (this “Order”): (i) extending the time period to file its Schedules and Statements and (ii) granting related relief; all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtor’s estate, its creditors, and other parties in interest; and this Court having found that the Debtor’s notice of the Motion and opportunity for a hearing on the Motion were

<sup>1</sup> The Debtor’s last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

appropriate and no other notice need be provided; and this Court having reviewed the Motion and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is GRANTED as forth herein.
2. The Debtor is granted an extension of thirty (30) days in addition to the extension provided by Rule 1007-1(b) of the Local Rules, for a total of fifty-eight (58) days from the Petition Date, through and including December 13, 2019, to file the Schedules and Statements.
3. Such extension is without prejudice to the Debtor's right to request further extensions.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
5. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2019

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UNITED STATES BANKRUPTCY JUDGE