

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

LBI MEDIA, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-12655 (CSS)

(Jointly Administered)

**Requested Hearing Date:**

**December 14, 2018 at 9:30 a.m. (ET)**

**Requested Objection Deadline:**

**December 13, 2018 at 4:00 p.m. (ET)**

**MOTION OF THE AD HOC GROUP OF NOTEHOLDERS PURSUANT TO SECTION  
362 OF THE BANKRUPTCY CODE FOR RELIEF FROM THE AUTOMATIC STAY**

The Ad Hoc Group of Noteholders (the “Noteholder Group”), holders of the 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II (the “Second Lien Notes”) issued by LBI Media, Inc. (“LBI” or the “Company”; collectively with its affiliated debtors and debtors in possession, the “Debtors”), by and through the undersigned counsel, hereby respectfully request an order pursuant Bankruptcy Rule 4001 clarifying the extension of the automatic stay under 11 U.S.C. § 362 to certain non-debtor persons and entities.

**I. PRELIMINARY STATEMENT**

1. LBI has unilaterally sought to extend the automatic bankruptcy stay under 11 U.S.C. § 362 to non-debtor co-defendants Lenard Liberman and HPS Investment Partners

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors’ mailing address is 1845 West Empire Avenue, Burbank, California 91504.

LLP (“HPS”) in cases the Noteholder Group filed in the Supreme Court of the State of New York earlier this year. However, LBI has made no application under 11 U.S.C. § 105 to obtain approval of this Court to extend the stay to non-debtors, as it should. Instead, in an effort to shift the burden of seeking that relief to creditors, it has stated that any effort to proceed with claims against LBI’s non-debtor co-defendants would violate the automatic stay, and threatened to seek sanctions from this Court should the cases proceed. Accordingly, in an abundance of caution, the Noteholder Group brings this limited motion to confirm the stay has not been extended to non-debtors, and to determine in which forum claims against non-debtors Liberman and HPS should be adjudicated.

## **II. FACTUAL BACKGROUND**

2. Prior to LBI’s bankruptcy filing, members of the Noteholder Group brought two actions in New York State Supreme Court that, collectively, asserted claims against now-debtor LBI, and non-debtors Liberman and HPS. Those actions challenge the tortious and fraudulent conduct that sought to destroy any ability of the Second Lien Noteholders to recover on LBI’s debt or obtain equity in LBI.

3. The first action, filed April 25, 2018, asserted claims against LBI and Liberman, including breach of contract (against LBI), breach of fiduciary duty (against Liberman), tortious interference with contract (against Liberman), and declaratory judgment (against LBI). (Complaint, *Caspian Select Credit Master Fund, Ltd. v. LBI Media, Inc.*, No. 652034/2018, Dkt. 1 (Sup. Ct. N.Y. Cty. Apr. 25, 2018).)

4. In the second action, filed July 24, 2018, certain members of the Noteholder Group brought claims against HPS and additional claims against LBI and Liberman. Those claims were for fraudulent conveyance (against HPS, LBI, Liberman), aiding and abetting

breach of fiduciary duty (against HPS), fraud based on concealment (against LBI, Liberman), aiding and abetting fraud based on concealment (against HPS), tortious interference with contract (against HPS), civil conspiracy (against HPS, LBI, and Liberman), and deepening insolvency (against HPS, LBI, Liberman). (Complaint, *Caspian Select Credit Master Fund, Ltd. v. HPS Investment Partners LLP*, No. 653685/2018, Dkt. 1 (Sup. Ct. N.Y. Cty. July 24, 2018).)

5. The Noteholder Group recognizes that an automatic stay is now in place with respect to any claims asserted against LBI, and they have no intention of violating that stay pursuant to 11 U.S.C. § 362 or any Order of this Court. **Exhibit A** (*Caspian Select Credit Master Fund, Ltd. v. HPS Investment Partners LLP*, No. 653685/2018, Dkt. 64 (Sup. Ct. N.Y. Cty. Nov. 21, 2018)). On November 21, 2018, creditors filed a letter with the New York Court alerting it of LBI's bankruptcy filing, and observing that Liberman and HPS are not debtors in that proceeding and that LBI had filed no application to extend the stay to them. *Id.*

6. On November 26, 2018, the New York Court held a telephonic conference in which it advised the parties that it did not want to interfere with the bankruptcy proceedings. During that telephonic conference, counsel for LBI told the New York Court that the Noteholder Group's claims against the non-debtors were already stayed because they were derivative,<sup>2</sup> and

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<sup>2</sup> Although LBI now contends the claims were brought derivatively, HPS only weeks ago moved to dismiss the aiding and abetting breach of fiduciary duty claim on the grounds that it was not pled derivatively. See HPS's Motion to Dismiss at 14, *Caspian Select Credit Master Fund, Ltd. v. HPS Investment Partners LLP*, No. 653685/2018, Dkt. 37 (Sup. Ct. N.Y. Cty. Sept. 17, 2018) ("Plaintiffs must therefore allege they demanded that LBI's board redress Mr. Liberman's supposed breach or show with particularity that the directors were incapable of making an impartial decision about that issue.") (citation omitted). LBI now argues exactly the opposite and contends these very same claims were pled derivatively and therefore are stayed. In reality, the claims were not and need not be brought derivatively. Thus, today, there is no stay in place.

that prevailing case law dictated an extension of the stay to non-debtors on the basis of LBI's broad obligations to indemnify HPS. Counsel to certain members of the Noteholder Group explained that the claims were not pled as derivative claims and therefore they were not stayed insofar as they were brought against non-debtors. They agreed, however, to review any motion of LBI to extend the stay to Liberman and HPS before deciding how to proceed.

7. On November 27, 2018, following this telephonic conference, counsel for creditors contacted counsel for LBI to determine when LBI intended to move to extend the stay to non-debtors. On November 28, 2018, counsel for LBI replied that it "is the Debtors' view that the entirety of both state court proceedings are stayed as to the non-debtors given the derivative nature of the claims as well as how those claims are treated under the Plan." LBI further threatened, "To avoid any confusion, be advised that any prosecution by plaintiffs of the state cases against the non-debtors without obtaining relief from the Bankruptcy Court will be a violation of the automatic stay and will be addressed accordingly." **Exhibit B** (Email from Theodore Tsekerides re "Telephonic Conference with Justice Scarpulla in Caspian I and II" (Nov. 28, 2018)).

8. Even though it is debtor's burden to apply to extend the stay to non-debtors, the Noteholder Group now seeks clarification from this Court since its members have no desire to violate the automatic stay or any order of this Court and LBI has declined to file an application. While the Noteholder Group intends to initiate an adversary proceeding against LBI on the claims already pled in the New York Actions (and against HPS for equitable subordination), the Noteholder Group would like to clarify whether this Court intends to exercise jurisdiction over non-bankruptcy claims against Liberman and HPS—or if this Court would prefer that claims continue to be prosecuted in New York Supreme Court.

### III. ARGUMENT

#### A. Absent an Application to Extend the Stay, which LBI Refuses to Make, the Stay Does Not Apply to Plaintiffs' Claims against Non-Debtors

9. When a debtor files for bankruptcy, 11 U.S.C. § 362(a) automatically stays all actions against the debtor. 11 U.S.C. § 362. The scope of the automatic stay is broad, but the “clear language of section 362(a) stays actions only against a ‘debtor.’” *McCartney v. Integra Nat. Bank North*, 106 F.3d 506, 509 (3d Cir. 1997) (citation omitted). While LBI told the New York Court that it believed its obligation to indemnify HPS was a basis to extend the stay, it cannot do so without seeking and obtaining an order from this Court. LBI “must obtain a stay order from the bankruptcy court, and until it does, the action against [non-debtors] may proceed.” *In re Bidermann Indus. U.S.A., Inc.*, 200 B.R. 770, 782 (Bankr. S.D.N.Y. 1996); *see also, e.g., Teachers Ins. & Annuity Ass’n v. Butler*, 803 F.2d 61, 65 (2d Cir. 1986) (“It is well-established that stays pursuant to § 362(a) are limited to debtors and do not encompass non-bankrupt co-defendants.”).

10. The Noteholder Group is prepared to proceed in prosecuting its claims, whether that is in this Court or in New York Supreme Court. But they need this Court’s ruling since LBI has refused to file the procedurally appropriate motion to extend the stay and threatens to pursue the relief of this Court if the Noteholder Group takes any step to pursue their claims.

### IV. CONCLUSION

For the foregoing reasons, the Noteholder Group requests an order pursuant Bankruptcy Rule 4001 clarifying the extension of the automatic stay under 11 U.S.C. § 362 and to determine in which forum claims against non-debtors Liberman and HPS should be adjudicated.

Dated: December 10, 2018  
Wilmington, Delaware

**MORRIS, NICHOLS, ARSHT &  
TUNNELL LLP**

/s/ Paige N. Topper

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

LBI MEDIA, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-12655 (CSS)

(Jointly Administered)

**Requested Hearing Date:**

**December 14, 2018 at 9:30 a.m. (ET)**

**Requested Objection Deadline:**

**December 13, 2018 at 4:00 p.m. (ET)**

**NOTICE OF MOTION OF THE AD HOC GROUP OF  
NOTEHOLDERS PURSUANT TO SECTION 362 OF THE  
BANKRUPTCY CODE FOR RELIEF FROM THE AUTOMATIC STAY**

PLEASE TAKE NOTICE that on December 10, 2018, the Ad Hoc Group of Noteholders (the “Noteholder Group”), holders of the 11½%/13½% PIK Toggle Second Priority Secured Subordinated Notes due 2020, Series II (the “Second Lien Notes”) issued by LBI Media, Inc. (“LBI” or the “Company”; collectively with its affiliated debtors and debtors in possession, the “Debtors”), by and through the undersigned counsel filed the **Motion of the Ad Hoc Group of Noteholders Pursuant to Section 362 of the Bankruptcy Code for Relief from the Automatic Stay** (the “Motion”).

PLEASE TAKE FURTHER NOTICE that any party wishing to oppose the entry of an order granting the relief requested in the Motion must file a response or objection (“Objection”) if any, to the Motion with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **December 13, 2018 at 4:00 p.m. (Eastern Time) (the “Objection Deadline”)**. At the same time, you must serve such Objection upon the undersigned counsel for the Debtors so as to be received on or before the Objection Deadline.

<sup>1</sup>

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors’ mailing address is 1845 West Empire Avenue, Burbank, California 91504.

PLEASE TAKE FURTHER NOTICE that only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON **DECEMBER 14, 2018 AT 9:30 A.M. (EASTERN TIME)** BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, COURTROOM #6, WILMINGTON, DELAWARE 19801.

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.

Dated: December 10, 2018  
Wilmington, Delaware

**MORRIS, NICHOLS, ARSHT &  
TUNNELL LLP**

/s/ Paige N. Topper

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**EXHIBIT A**



November 21, 2018

**VIA ELECTRONIC FILING**

The Honorable Saliann Scarpulla  
Supreme Court of the State of New York  
Commercial Division  
60 Centre Street, Courtroom 208  
New York, NY 10007

Re: *Caspian Select Credit Master Fund, Ltd., et al. v. HPS Investment Partners, LLC, et al.*, Index No. 653685/2018 (N.Y. Sup. Ct.)

Dear Justice Scarpulla:

We represent Plaintiffs in the above-referenced action, and write to advise the Court that on November 21, 2018, Defendant LBI Media Inc. (“LBI” or the “Company”) initiated Chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the District of Delaware. LBI thereafter filed a Notice of Bankruptcy in this matter, *Caspian Select Master Fund, Ltd. v. HPS Investment Partners, LLC*, No. 653685/2018, Dkt. 61 (Sup. Ct. N.Y. Cty. May 16, 2018) (the “Second New York Action”), and in the related matter of *Caspian Select Master Fund, Ltd. v. LBI Media, Inc.*, No. 652034/2018, Dkt. 157 (Sup. Ct. N.Y. Cty. May 16, 2018) (the “First New York Action” and, together with the Second New York Action, the “New York Actions”).

Plaintiffs fully understand that an automatic stay pursuant to 11 U.S.C. § 362 is now in place with respect to any claims asserted against LBI. However, defendants Lenard Liberman and HPS Investment Partners, LLC (“HPS”) are not debtors in LBI’s Chapter 11 bankruptcy proceedings, and therefore this Court continues to exercise jurisdiction over them in the New York Actions. *Vasquez v. New York City Health & Hosps. Corp.*, 100 A.D.3d 868, 869-70 (2d Dep’t 2012) (holding automatic stay provisions of 11 U.S.C. § 362 do not extend to non-bankrupt co-defendants); *see also Teachers Ins. & Annuity Ass’n of Am. v. Butler*, 803 F.2d 61, 65-66 (2d Cir. 1986) (“It is well-established that stays pursuant to § 362(a) are limited to debtors and do not encompass non-bankrupt co-defendants.”).

LBI’s bankruptcy filing underscores how Mr. Liberman and HPS have misled this Court regarding LBI’s plans to file for bankruptcy and the actual reasons for the transaction with HPS. On May 16, 2018, at the preliminary injunction hearing in the First New York Action, Mr. Liberman testified:

I have no intention of filing for bankruptcy. . . . I will pay my interest on time. I will get to April 2020 as best I can cutting expenses, doing what – growing revenue, going on sales calls myself. I will do what I have to do. On April 2020 when that debt is mature, I’m hoping my cash will be north of \$50 million

See Preliminary Injunction Hearing Transcript, Tr. 10:19-20. Mr. Liberman also testified that the transaction with HPS would help the Company stave off any potential bankruptcy, saying, “[T]he HPS transaction . . . provided some working capital, we believe, in our business and in the future of our business. Our business has been improving with an improving economy.” *Id.* at 7:8-9.

Despite stating under oath that he would lower costs and increase revenue, Mr. Liberman did no such thing. Less than six months since Mr. Liberman’s testimony, having made only one additional coupon payment on the second lien debt, which LBI made late (even after the grace period), LBI filed for bankruptcy.

To state the obvious, the transaction with HPS did not turn around LBI’s business or stave off its bankruptcy. Of course, that was never its purpose.

As alleged in our Complaint, less than a month prior to this testimony, Colbert Cannon, Managing Director of HPS, called Adam Cohen, Managing Partner of Caspian Capital LP, to discuss working on a restructuring of LBI. No. 653685/2018, Dkt. 25 ¶ 100. If Mr. Liberman and HPS truly believed the transaction would forestall the Company’s bankruptcy, why would they have been simultaneously discussing the Company’s reorganization and bankruptcy?

Despite HPS’s explicit recognition in April 2018 that LBI’s bankruptcy was inevitable, HPS has continued to dispute in legal filings since that time that LBI was insolvent and has echoed Mr. Liberman’s false statements that the transaction provided a lifeline. **In support of its motion to dismiss, HPS said that it “expressly disputes, and does not concede, that LBI is insolvent.”** No. 653685/2018, Dkt. 37, at 12 n.10. **HPS suggested that LBI’s bankruptcy was so speculative as to render Plaintiffs’ claims non-justiciable.** *Id.* at 9 (“Plaintiffs predict that the make whole is ‘inevitable’ and that default is a ‘certainty,’ though they have been forecasting LBI’s ‘inevitable’ bankruptcy for months. But New York courts ‘do not make mere hypothetical adjudications . . . where the existence of a “controversy” is dependent upon the happening of future events.’” (citation omitted)). HPS even claimed that the transaction was good for the Company despite adding \$87 million of additional debt, because LBI allegedly received “consideration in the form of an extension of its debt maturity and additional liquidity.” *Id.* at 7-8.

Just last week, while HPS was in the midst of discussions with LBI regarding its bankruptcy filing, HPS doubled down on the notion that LBI was not even insolvent. In its reply brief in support of its motion to dismiss, HPS suggested there was still some lingering question as to LBI’s solvency, prefacing one argument, “[e]ven if LBI were insolvent . . . .” Dkt. 57, at 5 (emphasis added).

Although the request in the First New York Action for preliminary injunctive relief was denied, we believe this was principally on the basis of Mr. Liberman’s misleading testimony that the transaction with HPS would afford LBI the lifeline it needs to avoid filing for bankruptcy. Plaintiffs argued then and still believe that both Mr. Liberman and HPS recognized LBI’s bankruptcy was inevitable, and that the true purpose of the transaction was to concoct a transfer of the Company’s equity to Mr. Liberman and HPS when that bankruptcy occurred.

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The Plaintiffs and presumably the Court await Mr. Liberman and HPS's explanation of these false statements.

Respectfully Submitted,

/s/ Jaime D. Sneider  
Jaime D. Sneider

CC: Theodore E. Tsekerides (counsel for Defendant LBI Media, Inc.)  
Steven F. Molo (counsel for Defendant HPS Investment Partners, LLC)  
Richard I. Werder, Jr. (counsel for Defendant Leonard Liberman)

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**EXHIBIT B**



## Jaime Sneider

---

**From:** Tsekerides, Theodore <theodore.tsekerides@weil.com>  
**Sent:** Wednesday, November 28, 2018 12:11 PM  
**To:** Jaime Sneider; Eaton, Mary; McCallen, Benjamin; Cheney, Alexander; rickwerder@quinnemanuel.com; Brian Campbell (briancampbell@quinnemanuel.com); Robert Longtin; Michael Gottlieb; Molo, Steven; Ellis, Justin  
**Cc:** Schrock, Ray; Fail, Garrett; Cohen, David J.; Lender, David; Semaya, Allison  
**Subject:** RE: Telephonic Conference with Justice Scarpulla in Caspian I and II

Jaime, I thought we made our position clear on the call but, to reiterate, it is the Debtors' view that the entirety of both state court proceedings are stayed as to the non-debtors given the derivative nature of the claims as well as how those claims are treated under the Plan. To avoid any confusion, be advised that any prosecution by plaintiffs of the state cases against the non-debtors without obtaining relief from the Bankruptcy Court will be a violation of the automatic stay and will be addressed accordingly.

We also note that your client appears to understand that the claims at issue in the state court proceedings will need to be addressed in the Bankruptcy Court given the "statement" it filed in the Bankruptcy Court indicating, "[a]s will be laid out before this Court in detail as these cases progress, the Transaction was fraudulent and is subject to avoidance." Statement at 5. The transaction with HPS, of course, is the cornerstone of the claims against the non-debtors in the state court actions.

Thanks



**Theodore E. Tsekerides**  
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**From:** Jaime Sneider <jsneider@bsflp.com>  
**Sent:** Tuesday, November 27, 2018 7:38 PM  
**To:** Tsekerides, Theodore <theodore.tsekerides@weil.com>; Eaton, Mary <meaton@willkie.com>; McCallen, Benjamin <BMcCallen@willkie.com>; Cheney, Alexander <ACheney@willkie.com>; rickwerder@quinnemanuel.com; Brian Campbell (briancampbell@quinnemanuel.com) <briancampbell@quinnemanuel.com>; Robert Longtin <robertlongtin@quinnemanuel.com>; Michael Gottlieb <mgottlieb@bsflp.com>; Molo, Steven <smolo@mololamken.com>; Ellis, Justin <JEllis@mololamken.com>  
**Cc:** Schrock, Ray <Ray.Schrock@weil.com>; Fail, Garrett <Garrett.Fail@weil.com>; Cohen, David J. <DavidJ.Cohen@weil.com>; Lender, David <david.lender@weil.com>; Semaya, Allison <Allison.Semaya@weil.com>  
**Subject:** RE: Telephonic Conference with Justice Scarpulla in Caspian I and II

Ted, Following up on yesterday's conference with the Court, could you please let us know whether you intend to make an application to extend the stay to non-debtors and, if so, when you anticipate making that application? Regards, Jaime

**From:** Tsekerides, Theodore [<mailto:theodore.tsekerides@weil.com>]

**Sent:** Wednesday, November 21, 2018 12:54 PM

**To:** Jaime Sneider <[jsneider@bsflp.com](mailto:jsneider@bsflp.com)>; Eaton, Mary <[meaton@willkie.com](mailto:meaton@willkie.com)>; McCallen, Benjamin <[BMcCallen@willkie.com](mailto:BMcCallen@willkie.com)>; Cheney, Alexander <[ACHeney@willkie.com](mailto:ACHeney@willkie.com)>; [rickwerder@quinnemanuel.com](mailto:rickwerder@quinnemanuel.com); Brian Campbell ([briancampbell@quinnemanuel.com](mailto:briancampbell@quinnemanuel.com)) <[briancampbell@quinnemanuel.com](mailto:briancampbell@quinnemanuel.com)>; Robert Longtin <[robertlongtin@quinnemanuel.com](mailto:robertlongtin@quinnemanuel.com)>; Michael Gottlieb <[mgottlieb@bsflp.com](mailto:mgottlieb@bsflp.com)>; Molo, Steven <[smolo@mololamken.com](mailto:smolo@mololamken.com)>; Ellis, Justin <[JEllis@mololamken.com](mailto:JEllis@mololamken.com)>  
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**Subject:** Telephonic Conference with Justice Scarpulla in Caspian I and II

All, Justice Scarpulla's chambers just called and asked that I inform the parties in both Caspian matters that she would like to have a telephonic conference with everyone on Monday, November 26 at 11 am.

Please use the following dial-in and then I can patch in the Court.

1-888-235-7501

Code: 2123108218

Thanks very much.



**Theodore E. Tsekerides**  
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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

LBI MEDIA, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-12655 (CSS)

(Jointly Administered)

**Re: D.I. \_\_\_\_**

**ORDER GRANTING MOTION OF THE AD HOC GROUP  
OF NOTEHOLDERS PURSUANT TO SECTION 362 OF THE  
BANKRUPTCY CODE FOR RELIEF FROM THE AUTOMATIC STAY**

Upon the motion (the “Motion”) of the Ad Hoc Group of Noteholders (the “Noteholder Group”) for clarification of relief from the automatic stay pursuant to section 362 of the Bankruptcy Code; and the Court finding that it has jurisdiction to consider the Motion; and finding adequate notice of such Motion having been given; and after notice and an opportunity for hearing, the Court having concluded that cause exists to grant the relief sought by the Noteholder Group;

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The automatic stay [shall] [or] [shall not] be extended to claims against non-debtors in *Caspian Select Credit Master Fund, Ltd. v. LBI Media, Inc.*, No. 652034/2018

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: LBI Media, Inc. (8901); Liberman Broadcasting, Inc. (8078); LBI Media Holdings, Inc. (4918); LBI Media Intermediate Holdings, Inc. (9635); Empire Burbank Studios LLC (4443); Liberman Broadcasting of California LLC (1156); LBI Radio License LLC (8905); Liberman Broadcasting of Houston LLC (6005); Liberman Broadcasting of Houston License LLC (6277); Liberman Television of Houston LLC (2887); KZJL License LLC (2880); Liberman Television LLC (8919); KRCA Television LLC (4579); KRCA License LLC (8917); Liberman Television of Dallas LLC (6163); Liberman Television of Dallas License LLC (1566); Liberman Broadcasting of Dallas LLC (6468); and Liberman Broadcasting of Dallas License LLC (6537). The Debtors’ mailing address is 1845 West Empire Avenue, Burbank, California 91504.

(Sup. Ct. N.Y. Cty. Apr. 25, 2018) and *Caspian Select Credit Master Fund, Ltd. v. HPS Investment Partners LLP*, No. 653685/2018 (Sup. Ct. N.Y. Cty. July 24, 2018), and this Court [shall] [or] [shall not] exercise jurisdiction over such matters and the parties thereto.

3. The fourteen day stay contemplated by Bankruptcy Rule 4001(a)(3) is hereby waived, and this Order shall become effective immediately upon its entry.

4. This Court shall retain jurisdiction over any and all matters arising from or related to the implementation or interpretation of this Order.

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

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THE HONORABLE CHRISTOPHER S. SONTCHI  
UNITED STATES CHIEF BANKRUPTCY JUDGE