

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: CBL & ASSOCIATES PROPERTIES, INC., <i>et al.</i>, Debtors.¹	§ § § § § §	Chapter 11 Case No. 20-35226 (DRJ) (Jointly Administered)
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**SUPPLEMENT TO EMERGENCY MOTION OF DEBTORS
FOR ENTRY OF AN ORDER FURTHER EXTENDING THE
AUTOMATIC STAY TO CERTAIN OF DEBTORS' DIRECTORS AND OFFICERS**

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN SEPTEMBER 15, 2021.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING ON THIS MATTER WILL BE SCHEDULED, AND PARTICIPATION AT THE HEARING WILL ONLY BE PERMITTED BY AN AUDIO AND VIDEO CONNECTION.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE JONES'S CONFERENCE ROOM NUMBER IS 205691. VIDEO COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE JONES'S HOME PAGE. THE MEETING CODE IS "JUDGEJONES." CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE"

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/CBLProperties>. The Debtors' service address for the purposes of these chapter 11 cases is 2030 Hamilton Place Blvd., Suite 500, Chattanooga, Tennessee 37421

LINK ON JUDGE JONES’S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK “SUBMIT” TO COMPLETE YOUR APPEARANCE.

CBL & Associates Properties, Inc. (the “**REIT**”) and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, and together with the REIT, the “**Debtors**”), respectfully represent as follows in support of this Supplement in support of the *Emergency Motion of Debtors for Entry of an Order Extending the Automatic Stay to Certain of Debtors’ Directors and Officers* (Docket No. 763) and the *Emergency Motion of Debtors for Entry of an Order Further Extending the Automatic Stay to Certain of Debtors’ Directors and Officers* (Docket No. 992) (collectively, the “**Initial Motions**”):²

1. The Debtors seek to continue the extension of the Automatic Stay, as previously ordered by this Court on January 16, 2021 (Docket No. 819), April 12, 2021 (Docket No. 1042), May 21, 2021 (Docket No. 1146), and August 11, 2021 (Docket No. 1396) (collectively, the “**Prior Orders**”) to certain directors and officers of the publicly-traded REIT, including Charles B. Lebovitz, Chairman of the Executive Committee of the Board of Directors; Stephen D. Lebovitz, Chief Executive Officer and President; Farzana Khaleel, Executive Vice President – Chief Financial Officer and Treasurer; A. Larry Chapman, Director and Chairman of the Audit Committee; Augustus N. Stephas, former Executive Vice President and Chief Operating Officer; and Don Sewell, former Senior Vice President – Management (collectively, the “**Directors and Officers**”). As further described in the Initial Motions, the Directors and Officers, most of whom are current directors and executive officers, are named defendants in the Securities Action.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Initial Motions or the Plan (as defined below), as applicable.

Pursuant to the Prior Orders, the Court extended the Automatic Stay to the Directors and Officers through and including September 15, 2021.

2. Since the entry of the Prior Orders, the Debtors have made tremendous progress in these chapter 11 cases. Indeed, on August 11, 2021, the Court entered an order (Docket No. 1397) (the “**Confirmation Order**”) confirming the *Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc. and Its Affiliated Debtors (with Technical Modifications)* (Docket No. 1369) (as has been and may be further amended, supplemented, or modified from time to time, the “**Plan**”). Nevertheless, the Effective Date of the Plan is subject to certain conditions set forth in section 9.1 of the Plan that have not yet occurred but is anticipated to occur no later than November 1, 2021.

3. The Directors and Officers, and in particular, Stephen D. Lebovitz and Farzana Khaleel, have been and continue to be integral to the effectuation of the Restructuring Transactions contemplated by the Plan. Over the past several months, Mr. Lebovitz and Ms. Khaleel have engaged with the Debtors’ advisors and creditors to confirm the Plan and provide a clear path for the Debtors to exit these chapter 11 cases in the coming months.

4. Critically, however, between now and the Effective Date of the Plan, the Debtors must, among other things and as applicable: (i) negotiate and execute final forms of the Exit Credit Facility Documents, New Senior Secured Noted Documents, and New Convertible Notes Documents and ancillary documents related thereto, including appropriate collateral and security documents; (ii) negotiate and execute settlement agreements with the Property-Level Lenders; (iii) issue and distribute New Common Stock and New LP Units to those holders of Claims and Interests entitled to receive such distributions in accordance with the Plan; and (iv) focus on the claims reconciliation process.

5. The Debtors and the Directors and Officers must therefore continue to focus their efforts and attention on implementing the Plan and Restructuring Transactions as quickly and efficiently as possible. If the Automatic Stay extended to the Directors and Officers were to expire on September 15, 2021, the Securities Action would be a significant distraction to the Debtors' efforts to achieve the Effective Date by November 1, which would benefit the Debtors and all stakeholders in these chapter 11 cases. Among other things, potential extensive discovery in the Securities Action would force the Debtors and the Directors and Officers to expend precious time and resources defending the Securities Action in a different forum to the detriment of their efforts in these chapter 11 cases.

6. Accordingly, the Debtors request that this Court further extend the Automatic Stay through and including November 1, 2021. As discussed herein, the burden that would be imposed on the Debtors by allowing the Securities Action to proceed—the distraction of key personnel from achieving the Effective Date while running day-to-day operations—far outweighs the limited inconvenience on the Securities Plaintiffs of having to wait until the Effective Date to pursue their litigation.

7. A proposed form of order granting the relief requested in this Supplement is attached hereto as **Exhibit A** (the “**Proposed Order**”).

Reservation of Rights

8. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable non-bankruptcy law, (iv) an agreement or obligation to pay any claims, (v) a waiver of any claims or causes of action which may exist against any creditor or interest holder, or (vi) an approval,

assumption, adoption, or rejection of any agreement, contract, lease, program, or policy under section 365 of the Bankruptcy Code.

Notice

9. Notice of this Supplement will be served on any party entitled to notice pursuant to Bankruptcy Rule 2002 and any other party entitled to notice pursuant to Local Bankruptcy Rule 9013-1(d), along with counsel to the lead plaintiffs named in the District Court Stay Motion.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: September 10, 2021
Houston, Texas

Respectfully submitted,

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*Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on September 10, 2021, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Alfredo R. Pérez
Alfredo R. Pérez