

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

In re: CBL & ASSOCIATES PROPERTIES, INC., et al., Debtors.¹	§ § § § § §	Chapter 11 Case No. 20-35226 (DRJ) (Jointly Administered)
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**SUMMARY SHEET FOR THIRD INTERIM APPLICATION OF MOELIS &
COMPANY LLC FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF ACTUAL AND NECESSARY
EXPENSES AS INVESTMENT BANKER AND FINANCIAL ADVISOR TO THE
DEBTORS FROM MAY 1, 2021 THROUGH JULY 31, 2021**

Complex Case Fee Application Coversheet (Non-Hourly)

Name of Applicant:	<u>Moelis & Company</u>	
Applicant's Role in Case:	Investment banker and financial advisor to the Debtors	
Docket No. of Employment Order(s):	[287] [353] [744]	
Nature of Fee Arrangement (monthly, success fee, contingent litigation fee, etc.)	Monthly / Success fee	
Interim Application (<input checked="" type="checkbox"/>) No. _3rd_ Final Application ()	Indicate whether this is an interim or final Application. If interim, indicate the number (1 st , 2 nd , 3 rd , etc.)	
	Beginning Date	End Date
Time period covered by this Application for which interim compensation has not previously been awarded:	05/01/21	07/31/21
Were the services provided necessary to the administration of or beneficial at the time rendered toward the completion of the case? (Y) Y/N		
Were the services performed in a reasonable amount of time commensurate with the complexity, importance and nature of the issues addressed? (Y) Y/N		
Is the requested compensation reasonable based on the customary compensation charged by comparably skilled practitioners in other non-bankruptcy cases? (Y) Y/N		
Do expense reimbursements represent actual and necessary expenses incurred? (Y) Y/N		
Compensation Breakdown for Time Period Covered by this Application		
Total fees requested in this Application:	\$600,000.00	

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.

Total expense reimbursements requested in this Application:	\$12,210.84 ²
Total fees and expenses requested in this Application:	\$612,210.84
Total fees awarded in all prior Applications:	\$1,200,000.00
Total expenses awarded in all prior Applications	\$57,405.06
<p>Plan Status: On August 11, 2021, the Honorable David R. Jones United States Bankruptcy Judge for the Southern District of Texas entered an order [Docket No. 1397] (the “Confirmation Order”) confirming the Third Amended Joint Chapter 11 Plan of Reorganization of CBL & Associates Properties, Inc. and Its Affiliated Debtors [Docket No. 1163] and the Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc. and Its Affiliated Debtors (with Technical Modifications), dated as of August 9, 2021 [Docket No. 1369]. The Debtors anticipate that the Effective Date of the Plan will occur on or before November 1, 2021.</p>	
<p>Primary Benefits: Moelis conducted meetings, calls, and correspondence with the Debtors, the Debtors’ Advisors, and the Board of Directors and assisted with general bankruptcy issues. Moelis also participated in the preparation and review of various analyses and documents, the plan of reorganization process, the due diligence process, third party communications and administrative matters.</p>	

2 Additional expenses incurred during the Compensation Period may be invoiced, in which case this Application will be updated accordingly. As noted in Moelis’ retention application filed on November 30, 2020, Moelis was holding a \$25,000 expense advance on account of prepetition expenses incurred but not yet processed in connection with the Moelis Engagement Letter. Given Moelis’ prepetition expenses were less than \$25,000, Moelis will, at the Debtors’ option, either return the excess to the Debtors or apply such amount to the expenses requested in this Application and approved by the Court.

**SUMMARY OF MONTHLY FEE STATEMENTS
SERVED DURING THE COMPENSATION PERIOD**

Monthly Fee Statement Period	Total Compensation & Expenses Incurred for Period Covered		Total Amounts Previously Requested with Monthly Fee Statements		Total Amount Paid or Expected to be Paid to Date ³		Holdback Fees Requested
	Fees	Expenses Incurred	Fees (@80%)	Expenses (@100%)	Fees Paid (80%)	Expenses Paid (100%)	
May. 1 – May. 31, 2021	\$200,000.00	\$5,900.84	\$160,000.00	\$5,900.84	\$160,000.00	\$5,900.84	\$40,000.00
Jun. 1 – Jun. 30, 2021	\$200,000.00	\$5,600.50	\$160,000.00	\$5,600.50	\$160,000.00	\$5,600.50	\$40,000.00
Jul. 1 – Jul. 31, 2021	\$200,000.00	\$709.50	\$160,000.00	\$709.50	\$160,000.00	\$709.50	\$40,000.00
Total	\$600,000.00	\$12,210.84	\$480,000.00	\$12,210.84	\$480,000.00	\$12,210.84	\$120,000.00

³ Moelis has received payments during the Compensation Period in the aggregate amount of \$504,368.42 from the Debtors for 80% of fees and 100% of expenses incurred by Moelis during the Compensation Period in accordance with the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 350].

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

In re:	§	Chapter 11
	§	
CBL & ASSOCIATES	§	
PROPERTIES, INC., <i>et al.</i> ,	§	Case No. 20-35226 (DRJ)
	§	
Debtors. ¹	§	(Jointly Administered)

**THIRD INTERIM APPLICATION OF MOELIS & COMPANY LLC
FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF ACTUAL AND
NECESSARY EXPENSES AS INVESTMENT BANKER AND FINANCIAL ADVISOR
TO THE DEBTORS FROM MAY 1, 2021 THROUGH JULY 31, 2021**

THIS APPLICATION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THIS APPLICATION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS APPLICATION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE APPLICATION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THIS APPLICATION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE APPLICATION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Pursuant to sections 328 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the “*Bankruptcy Code*”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), the Bankruptcy Local Rules for the Southern District of Texas (the “*Local Rules*”), and this Court’s *Order Establishing Procedures for*

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.

Interim Compensation and Reimbursement of Expenses for Professionals [Docket No. 350] (the “**Interim Compensation Order**”) and *Order Granting Debtors’ Application (A) Authorizing the Employment and Retention of Moelis & Company LLC as Investment Banker and Financial Advisor for the Debtors, Effective as of the Petition Date; and (B) Granting Related Relief* [Docket No. 744] (the “**Moelis Retention Order**”),² Moelis & Company LLC (“**Moelis**”), the retained investment banker and financial advisor to the above-captioned debtors and debtors-in-possession (the “**Debtors**”), hereby submits this third interim fee application (this “**Application**”) for the allowance of compensation for professional services performed by Moelis for the period commencing May 1, 2021 through and including July 31, 2021 (the “**Compensation Period**”), and reimbursement of its actual and necessary expenses incurred during the Compensation Period. By this Application, Moelis seeks (a) allowance of compensation for services rendered in the amount of \$600,000.00 during the Compensation Period, (b) reimbursement of actual and necessary expenses in the net amount of \$12,210.84 incurred during the Compensation Period, and (c) payment in the amount of \$120,000.00 representing the 20% holdback of Moelis’ fees during the Compensation Period.

In support of this Application, Moelis respectfully represents as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATES

1. The United States Bankruptcy Court for the Southern District of Texas (this “**Court**”), has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue of this proceeding and this Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Moelis Retention Order or Moelis Engagement Letter (as defined herein), as applicable.

2. The statutory and legal bases for the relief requested herein are sections 327, 328, 330, and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, and Local Rule 2016-1.

BACKGROUND

3. On November 1, 2020 (the “*Petition Date*”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. On November 3, 2020, the Court entered an order [Docket No. 96] authorizing the joint administration and procedural consolidation of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

4. A description of the Debtors’ businesses, the reasons for commencing the chapter 11 cases, and the relief sought from the Court to allow for a smooth transition into chapter 11 are set forth in the *Declaration of Mark Renzi in Support of Debtors’ Chapter 11 Petitions and First Day Motions* [Docket No. 3], incorporated herein by reference.

5. Moelis was retained by the Debtors under sections 327(a) and 328(a) of the Bankruptcy Code, effective as of the Petition Date, by the Moelis Retention Order dated December 30, 2020. The Moelis Retention Order is annexed hereto as **Exhibit A**.

6. The Moelis Retention Order authorized Moelis to be compensated pursuant to the terms of the engagement letter between Moelis and the Debtors dated as of May 15, 2020 (the “*Moelis Engagement Letter*”) a copy of which is annexed hereto as **Exhibit B**.³ In addition, the Moelis Retention Order modified the requirements of the Bankruptcy Code, the Bankruptcy Rules, the guidelines (the “*U.S. Trustee Guidelines*”) established by the Office of the United States Trustee for the Southern District of Texas (the “*U.S. Trustee*”), and any other orders and procedures of this Court in connection with Moelis’ engagement such that Moelis’ restructuring

³ Moelis has been advising the Debtors on strategic and restructuring initiatives since its initial engagement in January 2020 under a prior engagement letter.

professionals are required only to keep reasonably detailed time records setting forth, in a summary format, a description of the services rendered by Moelis' restructuring personnel and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors in half-hour increments. Furthermore, Moelis' non-restructuring professionals and personnel in administrative departments (including internal legal) are not required to keep any time records, Moelis is not required to keep time records on a project category basis, and Moelis is not required to provide or conform to any schedule of hourly rates.

7. The Debtors filed these chapter 11 cases to implement a chapter 11 plan of reorganization (as may be amended, the "***Plan***"). The Debtors filed the Plan and accompanying disclosure statement on December 29, 2020 [Docket Nos. 370 and 371] and filed the amended Plan and accompanying disclosure statement on May 25, 2021 [Docket Nos. 1163 and 1164].

**COMPENSATION REQUESTED FOR
SERVICES RENDERED DURING THE COMPENSATION PERIOD**

8. Moelis' requested compensation for the Compensation Period includes Moelis' cash fee payable each month in the amount of \$200,000.00 (the "***Monthly Fee***"). Set forth below is a table calculating the aggregate compensation Moelis is requesting hereunder for the Compensation Period:

	Amount
<i>Monthly Fees:</i>	
May Monthly Fee	\$200,000.00
June Monthly Fee	200,000.00
July Monthly Fee	200,000.00
Total Fees	\$600,000.00
Gross Expenses	12,210.84
Total Payment Sought	\$612,210.84

9. During the Compensation Period, Moelis' restructuring professionals rendered approximately 425.5 hours of services to the Debtors, based on the time records those professionals maintained pursuant to the Moelis Retention Order. As stated in the Moelis

Retention Application,⁴ (a) it is not the general practice of investment banking firms such as Moelis to keep detailed time records similar to those customarily kept by attorneys; (b) Moelis does not ordinarily keep time records on a “project category” basis; and (c) Moelis’ compensation is based on a fixed Monthly Fee and fixed transaction fees. Additionally, pursuant to the Moelis Retention Order, Moelis’ non-restructuring professionals and personnel in administrative departments (including internal legal) are not required to maintain time records.

10. Moelis’ work on behalf of the Debtors involved tasks that are briefly summarized below. The summary is not intended to be a detailed description of the work Moelis has performed during the Compensation Period, but rather is a guideline offered to the Court and other interested parties with respect to the services performed by Moelis.

- (a) **Meetings, Calls, and Correspondence with the Debtors, the Debtors’ Advisors, and the Board of Directors and Assistance with General Bankruptcy Issues.** Moelis participated in frequent planning sessions and other periodic meetings with the Debtors and their legal counsel concerning process and strategy issues related to the bankruptcy. Moelis participated in numerous meetings with the Debtors’ management and board and prepared materials and definitive documentation regarding the Debtors’ business plan, strategy, financials, and other strategic issues. Moelis continued to assess the capital structure, and presented material updates to the Debtors. Moelis reviewed objections from various preferred equityholders and assisted the Debtors in responding to those objections.
- (b) **Preparation/Review of Various Analyses and Documents.** Moelis continued to diligence the Debtors’ business operations, financial conditions, and proposed financial projections and forecasted operating model. Moelis also continued to assess the Debtors’ current capital structure and liquidity.
- (c) **Plan of Reorganization Process.** Moelis worked with the Debtors and their advisors to review and analyze various objections to the plan of reorganization. Moelis worked with the Debtors and their advisors to prepare written responses and potential testimony in support of the plan of reorganization. Moelis also assisted the Debtors and their advisors in negotiating the indentures for the new secured notes and new convertible notes.

⁴ “**Moelis Retention Application**” means the *Debtors’ Application for Entry of an Order (A) Authorizing the Employment and Retention of Moelis & Company LLC as its Investment Banker and Financial Advisor for the Debtors and Debtors in Possession Effective as of the Petition Date; and (B) Granting Related Relief* [Docket No. 287].

- (d) **Due Diligence Process.** Moelis coordinated due diligence between the Debtors, their creditors and their advisers which included but was not limited to receiving due diligence requests from the creditors and their advisers, sourcing responses and documents from the Debtors, organizing responses, and hosting diligence calls.
- (e) **Third Party Communications.** Moelis communicated with the Debtors' creditors, their respective advisors, stakeholders, and other parties in interest regarding strategy and the Debtors' restructuring.
- (f) **Administrative Matters.** Moelis conducted general financial advisory, investment banking, and other administrative services, including, but not limited to, services related to these chapter 11 cases generally, retention matters, addressing questions of individual members of the Debtors, chapter 11 procedures, and communications, administrative functions, and other matters not falling into any of the service categories listed above.

11. Annexed as **Exhibit C-1**, **C-2**, and **C-3** hereto are fee statements reflecting the summary time records of Moelis' restructuring professionals for each month during the Compensation Period, which have been maintained in accordance with the Moelis Retention Order. As of the date hereof, 80% of Moelis' fees incurred during the Compensation Period have been paid by the Debtors and the 20% holdback on such fees remains outstanding.

12. To the extent this Application does not comply in every applicable respect with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the U.S. Trustee Guidelines, Moelis respectfully requests a waiver for any such technical non-compliance.

**REQUEST FOR REIMBURSEMENT OF EXPENSES
INCURRED DURING THE COMPENSATION PERIOD**

13. Moelis requests reimbursement of actual and necessary expenses incurred for each month during the Compensation Period in the aggregate amount of \$12,210.84. Summary descriptions of the expenses Moelis incurred during the Compensation Period are annexed as **Exhibit D** hereto.⁵ Such expenses incurred by Moelis consist of meals and the fees and expenses

⁵ Additional expenses incurred during the Compensation Period may be invoiced, in which case this Application will be updated accordingly. As noted in Moelis' retention application filed on November 30, 2020, Moelis was holding a \$25,000 expense advance on account of prepetition expenses incurred but not yet processed in connection with the Moelis Engagement Letter. Given Moelis' prepetition expenses were

of Moelis' outside counsel relating to retention and fee application issues, which are reimbursable pursuant to the Moelis Retention Order. Moelis has made every reasonable effort to minimize its disbursements in these chapter 11 cases. All of the fees and expenses for which allowance and payment is requested by Moelis in this Application are reasonable and necessary. In seeking reimbursement of an expenditure, Moelis is requesting reimbursement "at cost" and does not make a profit on that expenditure. As of the date hereof, all of Moelis' expenses incurred during the Compensation Period have been reimbursed by the Debtors.

CONCLUSION

14. As described above, Moelis has provided valuable services to the Debtors during these complex chapter 11 cases, and Moelis respectfully submits that the professional services for which it requests compensation, and the expenditures for which it seeks reimbursement, in this Application were necessary for and beneficial to the orderly and successful reorganization of the Debtors' estates. Moelis professionals worked assiduously to anticipate or respond to the needs of the Debtors and to assist the Debtors throughout these cases. Moelis' services and expenditures were necessary to, and in the best interests of, the Debtors, the Debtors' estates and their creditors.

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less than \$25,000, Moelis will, at the Debtors' option, either return the excess to the Debtors or apply such amount to the expenses requested in this Application and approved by the Court.

WHEREFORE, Moelis respectfully requests that the Court enter an order, substantially in the form of the proposed order attached hereto as **Exhibit E**, (a) approving the interim allowance of compensation to Moelis in the amount of \$600,000.00 for professional services rendered during the Compensation Period, (b) approving the interim allowance of the actual and necessary costs and expenses to Moelis in the amount of \$12,210.84 incurred during the Compensation Period, (c) payment of \$120,000.00 representing 20% holdback of Moelis' fees during the Compensation Period, and (d) granting such other and further relief as is just and proper.

Dated: September 13, 2021

MOELIS & COMPANY LLC

By: /s/ Barak Klein

Name: Barak Klein

Title: Managing Director