IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: BEDMAR, LLC,[1] Debtor.	Chapter 11 Case No.: 25-11027 (JKS) **Related Docket No.: 7, 8, 135**

JOINT OBJECTION OF (I) PRESIDENT AND FELLOWS OF HARVARD COLLEGE, (II) 92 CROWLEY OWNER (DE) LLC, 1733 TW ALEXANDER OWNER (DE) LLC, AND GMP CANADA LIMITED PARTNERSHIP, AND (III) CEGM ALACHUA, LLC AND CAPRI/EGM-VA ACQUISITION, LP TO CONFIRMATION OF THE PREPACKAGED PLAN OF REORGANIZATION OF BEDMAR, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE AND APPROVAL OF THE DISCLOSURE STATEMENT

President and Fellows of Harvard College ("Harvard"), 92 Crowley Owner (DE) LLC, 1733 TW Alexander Owner (DE) LLC, and GMP Canada Limited Partnership (collectively, "92 Crowley"), and CEGM Alachua, LLC and Capri/EGM-VA Acquisition, LP (together, "Alachua" and collectively with Harvard and 92 Crowley, the "Landlords"), by and through their undersigned counsel, hereby file this joint objection (the "Objection") to confirmation of the *Prepackaged Plan of Reorganization of Bedmar, LLC Under Chapter 11 of the Bankruptcy Code and Approval of Disclosure Statement* [D.I. 7] (the "Plan") and approval of the *Disclosure Statement* for the Plan [D.I. 8] (the "Disclosure Statement"). The case should be dismissed and the confirmation of the Plan should not be considered by the Court. In support of this Objection, the Landlords respectfully state as follows:

[1] The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number is: Bedmar, LLC (5047). The Debtor's mailing address is 3115 Merryfield Row, San Diego, CA 92121.

PRELIMINARY STATEMENT[2]

1. The Debtor's Plan is unconfirmable. The Plan impairs the Landlords. The Court's consideration of Plan confirmation is premature without solicitation or voting, or the Court's consideration of the adequacy of the Disclosure Statement under the unique circumstances of this case.

2. The Landlords are impaired because they have filed proofs of claim in amounts in excess of Schedule A to the Plan, and additional parties have filed proofs of claim, all of which are deemed *prima facie* allowed claims. The Debtor does not have the resources to pay all such claims in full. Nor does it have the commitment of any third party or other assets that have been disclosed to date to provide the Debtor with additional funding to permit the Debtor on the effective date to pay or reserve the full amount of the claims as asserted to argue that all creditors are unimpaired.

3. The Debtor has not proposed the Plan in good faith or in compliance with applicable law. Despite the Landlords' impairment, the Debtor has failed to solicit votes from the Landlords. Based on the *prima facie* validity of the Landlords' proofs of claim, filed contemporaneously with this Objection, the Plan is likewise not feasible. Because of the Plan's and the Disclosure Statement's additionally myriad infirmities, the Court should deny confirmation.

4. The Debtor's unsolicited, prepackaged Plan is nothing more than the last step in the Debtor's and its non-Debtor affiliates' scheme to abuse the bankruptcy process and unjustifiably impair the Landlords' rights and claims. This Court should not bless the Debtor's bad faith efforts to prejudice the Landlords for the sole benefit of shielding its non-Debtor affiliate parents.

[2] Capitalized terms used in this Preliminary Statement are defined elsewhere in this Objection.

LIMITED BACKGROUND

5. The Landlords incorporate by reference the background set forth in the *Joint Motion of (I) President and Fellows of Harvard College, (II) 92 Crowley Owner (DE) LLC, and (III) CEGM Alachua, LLC to Dismiss the Chapter 11 Case of Bedmar, LLC; and Joinder to Cobalt Propco 2020, LLC's and UST's Motions to Dismiss Debtor Bedmar, LLC's Chapter 11 Case Pursuant to Bankruptcy Code Section 1112(B)* [D.I. 135] (the "Motion to Dismiss").[3]

6. On June 20, 2025, the Landlords served discovery requests on the Debtor. On June 30, 2025, the Landlords served discovery requests on certain non-Debtor affiliates. *See* D.I. 129. Despite the rapidly approaching confirmation hearing on July 29, 2025, to date, the Debtor and the non-Debtor affiliates have been less than cooperative and forthcoming with respect to the production of documents. On July 13, 2025, the Landlords were forced to file a letter with the Court [D.I. 180] regarding the Debtor's production deficiencies. On July 14, 2025, the Debtor filed a response letter [D.I. 189]. Discovery is ongoing and the Landlords reserve the right to supplement this Objection.

7. On July 7, 2025, the Debtor filed its Schedules of Assets and Liabilities and Statements of Financial Affairs [D.I. 162, 163] (collectively, the "Schedules").

8. On July 8, 2025, the Debtor filed a *Notice of Filing of Plan Supplement for the Prepackaged Plan of Reorganization of Bedmar, LLC Under Chapter 11 of the Bankruptcy Code* [D.I. 172] (the "Plan Supplement").

9. As discussed further below, contemporaneously with the filing of this Objection, each Landlord and other parties are filing proofs of claim against the Debtor in accordance with this Court's *Order Establishing Certain Dates and Deadlines in Connection with Rejection Motion*

[3] Capitalized terms used but not otherwise defined in this Objection have the meanings given to such terms in the Motion to Dismiss.

and Motions to Dismiss [D.I. 132], as well as other proofs of claim to protect their interests and each is also filing separate notices of opt-out from the Plan's third party releases. Upon filing, each proof of claim will constitute *prima facie* evidence of the claim's validity and amount. Fed. R. Bankr. 3001(f). No objections will have been filed as to any of the proofs of claim, there is no deadline to file objections, nor have the parties agreed to any schedule to address any objections that may be filed.

10. The facts related to the Corporate Transactions are not disclosed and have not been explained to this Court in the Disclosure Statement or otherwise. Therefore, consideration of confirmation is premature. The Court should consider the Motion to Dismiss first.

OBJECTION

A. The circumstances warrant appointment of an examiner.

11. Section 1104(c) of the Bankruptcy Code provides:

> If the court does not order the appointment of a trustee under this section, then at any time before the confirmation of a plan, on request of a party in interest or the United States trustee, and after notice and a hearing, the court shall order the appointment of an examiner to conduct such an investigation of the debtor as is appropriate, including an investigation of any allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity in the management of the affairs of the debtor of or by current or former management of the debtor, if—
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> (1) such appointment is in the interests of creditors, any equity security holders, and other interests of the estate; or
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> (2) the debtor's fixed, liquidated, unsecured debts, other than debts for goods, services, or taxes, or owing to an insider, exceed $5,000,000.

In *In re FTX Trading Ltd.*, 91 F.4th 148, 154 (3d Cir. 2024), the Third Circuit held that appointment of an examiner is mandatory upon motion to the court and the satisfaction of either (c)(1) or (2).

12. The Plan seeks to wipe out any and all liability related to the Corporate Transactions through its expansive third party releases and the retention of certain causes of action absent

sufficient oversight or meaningful investigation into the propriety of the Corporate Transactions. According to the Plan Supplement, "The Debtor's independent manager is conducting an investigation of the Corporate Transactions and intends to determine prior to [July 29, 2025] whether any such Causes of Action exist." That is an incredible statement.

13. A month after filing the chapter 11 case for the direct purpose of furthering the Corporate Transactions, the independent manager has now determined it prudent to conduct an investigation into those Corporate Transactions—transactions which formed the Debtor itself and purported to allocate its assets and liabilities and merged the guaranty liabilities into the Debtor in order to extinguish such claims with absolutely no consideration, while preserving value for the non-Debtor affiliates and releasing them from all acts and omissions through the effective date.

14. The six-day rush to filing was of the Debtor's and, more accurately, the non-Debtor affiliates' own making. This Court should review with skepticism the results of any self-serving investigation issued by the independent manager *only after* the Debtor's creditors and the Office of the United States Trustee moved to dismiss the chapter 11 case for bad faith.

15. The circumstances, and the players, here are similar to those giving rise to the appointment of an examiner in *In re Silvergate Capital Corporation*, Case No. 24-12158 (KBO). There, among other things, the examiner concluded, the investigative progress of the special investigative committee (the "SIC") (a committee comprising only the recently-appointment independent manager) displayed "significant gaps and deficiencies."[4] Further, the examiner concluded:

> Ms. Smith's retention of [counsel] to the SIC affected the independence of the SIC's investigation … Debtors' counsel[] was obligated under its engagement letter to solely represent the Debtors and prosecute the plan, which at the time of Ms. Smith's investigation, included releases of directors and officers. [Counsel's] activity largely consisted of reviewing information provided by [co-counsel] and

[4] *See* Examiner Report, p. 17.

> [counsel] did not seek to expand the SIC's fact finding beyond the recycled information.[5]

Here, throughout his deposition, the Debtor's independent manager claimed that the majority of his knowledge and understanding of the leases, the Corporate Transactions, and myriad other matters pertinent to this chapter 11 case came through the Debtor's counsel, who has recycled limited information provided by counsel to the non-Debtor affiliates.[6] Given the similarities and the findings of the examiner in *Silvergate*, the lack of disclosures regarding the Corporate Transactions, and the allegations of fraud overshadowing the Corporate Transactions resulting in the Debtor's chapter 11 case, the appointment of an examiner is warranted.

16. The Debtor, with no oversight or official committee consultation, and with no independent investigation unrestricted by selectively produced documents and claims of privilege, cannot release its own liability or the liability of its parents and affiliates if the Corporate Transactions constitute fraudulent transfers. To be clear, the Landlords are not moving for the appointment of an examiner through this Objection. Rather, the facts and circumstances of this

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[5] *Id.*

[6] *See, e.g.*, Sontchi Depo Tr. at 27:18–24, 28:1:

Q. So when you say you reviewed [the lease] in the context of the lease rejection motion, what did you do with the lease?

A. You asked when I saw it. I saw it in the context of getting ready for the rejection motion. I didn't say I reviewed it. And if I did, I misspoke. I have not reviewed it. I have not read it. All my understanding of what's in it came from counsel.

Id. at 40:1–7:

Q. Do you have an understanding as to what the outstanding amount is on the leases that were assigned to Bedmar or allocated to Bedmar, LLC?

A. My understanding of the total liability for Bedmar, LLC based on what – the information I've received from counsel and from WDC is its approximately $372 million for all the leases.

Sontchi Depo Tr. at 54:24, 55:1–3, 9–18:

Q. I believe you mentioned that you were comfortable that the Corporate Transactions were done consistently with the Delaware LLC Act; is that correct?

A. I believe that – I don't know. I know RLF looked at the – or at least was informed of them, but I don't know the answer.

Q. So your understanding is based on your communications with your counsel; is that correct?

A. Yes, absolutely … That would be true throughout pretty much everything with the divisions.

case speak to the need for an independent investigation to be conducted by a third party and support this multi-faceted Objection to confirmation.

B. The Plan violates section 1129 of the Bankruptcy Code.

17. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a proposed chapter 11 plan. The proponent bears the burden of establishing the plan's compliance with each of these requirements. *In re Gulfstar Indus., Inc.*, 236 B.R. 75, 77 (M.D. Fla. 1999); *In re Genesis Health Ventures, Inc.*, 266 B.R. 591, 598–99 (Bankr. D. Del. 2001). Even in the absence of valid objections to confirmation, the Bankruptcy Code imposes an independent duty upon the court to determine whether a plan satisfies section 1129. *In re Bolton*, 188 B.R. 913, 915 (Bankr. D. Vt. 1995); *In re Shadow Bay Apartments, Ltd.*, 157 B.R. 363, 365 (Bankr. S.D. Ohio 1993). As set forth below, the Debtor's Plan does not satisfy section 1129(a) of the Bankruptcy Code.

i. The Plan lacks an impaired, accepting class of creditors.

18. The Debtor finds itself between a rock and a hard place. The Debtor seeks to rush through confirmation without permitting the Landlords to vote, by suggesting that each Landlord (and any and all other unsecured creditors) is unimpaired. Contemporaneously herewith, and discussed further below, each Landlord has filed three separate proofs of claim against the Debtor. Article V.C. of the Plan provides, "For the avoidance of doubt, any Claim based on or arising from an Affiliate Lease Guaranty is a Rejection Damages Claim, which pursuant to this Plan, is deemed Disputed and shall be Allowed in its Scheduled amount (if any), including as may be set forth on Schedule A to this Plan." The Disclosure Statement provides:

> The Reorganized Debtor shall reserve sufficient Cash to make an appropriate distribution on account of any Disputed Rejection Damages Claim as if that Rejection Damages Claim were an Allowed Rejection Damages Claim on the

> Effective Date; provided, that the amount of Cash reserved for a Disputed Rejection Damages Claim shall be the amount Scheduled for such Rejection Damages Claim.

Disclosure Statement, p. 28. This language makes it sound like the Debtor is reserving or paying the filed *prima facia* allowed claims in full in the amount asserted. That is not the case. The Debtor seeks permission to reserve only the lesser amount included in the Schedule A, thereby impairing the Landlords. Moreover, the Guaranty Claims are extinguished, which certainly constitutes impairment.[7]

19. Because the Plan has not been confirmed, Article V.C. is not enforceable, nor is it binding. The Plan also fails to set forth any legal or otherwise cognizable basis to preemptively object to claims or why Bankruptcy Rule 7012 does not render these preemptive claim objections dismissed. Of course, the Debtor has the right to object to the Landlords' proofs of claim. However, it must do so in accordance with Bankruptcy Rule 3007 and provide the Landlords with the basis of any such objection and 30 days' notice of the hearing on that claim objection. The Landlords reserve all rights to contest any filing seeking a waiver of Bankruptcy Rule 3007.

20. There is no representation on the record from the non-Debtor affiliates that they will backstop amounts above and beyond the asserted rejection damages claims listed in Schedule A to the Plan. Accordingly, given the *prima facie* valid amounts asserted in each Landlord's proof of claim, the Debtor cannot pay or reserve sufficient funds to pay all Landlord claims in full. Additionally, through the Corporate Transactions, the Plan attempts to extinguish the Landlords' respective Guaranty Claims. Consequently, each of the Landlords is impaired. The

[7] If the Guaranty Claims are deemed to reject, then such an impaired class rejecting the Plan gives rise to application of the absolute priority rule. Further, because the Plan cannot satisfy its unsecured creditors in full, the Debtor cannot provide value to its equity holders. To do so would violate the absolute priority rule. *See, e.g.*, *In re Exide Tech.*, 303 B.R. 48, 61 (Bankr. D. Del. 2003) and give this Court another reason to deny confirmation.

Plan cannot be confirmed, and confirmation should not even be considered. The Debtor disenfranchised the Landlords from the right to vote to accept or reject the Plan. *See* 11 U.S.C. § 1126(a).

21. Relatedly, *because* the Landlords are impaired, the Court must deny confirmation because the Plan violates section 1129(a)(10) of the Bankruptcy Code. Section 1129(a)(10) of the Bankruptcy Code provides, "If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider." No non-insider impaired class purportedly exists under the Plan, other than the Landlords.[8] So, no non-insider impaired class was given an opportunity to vote to accept the Plan. The Debtor cannot satisfy section 1129(a)(10) of the Bankruptcy Code.

22. With an impaired class, the Debtor is required to solicit votes under section 1125 of the Bankruptcy Code. The Debtor has failed to do this, or even to seek approval of solicitation procedures. If the Plan is properly solicited, votes must satisfy both the amount and numerosity requirements under section 1126 of the Bankruptcy Code. Absent satisfaction of each of these preconditions, neither of which has happened to date, the Plan is unconfirmable.

ii. The Plan is not feasible.

23. The Debtor's assets are insufficient to satisfy the Landlords' administrative and unsecured claims in full. Section 1129(a)(11) of the Bankruptcy Code provides that a court may only confirm a plan if "[c]onfirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan." Courts commonly refer to this as the "feasibility" test or requirement.

[8] The Landlords' Guaranty Claims exist and should have been separately classified under section 1122 of the Bankruptcy Code.

24. By the Debtor's and the non-Debtor affiliates' own machinations, the Debtor does not have sufficient funds to satisfy each of the Landlord's claims in full, let alone the Landlords' administrative claims. Schedule A to the Plan lists *proposed* rejection damages, as capped by section 502(b)(6) of the Bankruptcy Code, for each of the Landlords as follows:

- President and Fellows of Harvard College: $76,696.13
- 92 Crowley Owner (DE) LLC: $17,120,351.42
- CEGM Alachua, LLC: $5,826,470.50

25. The Debtor's proposed claim amounts are incorrect for several reasons. First, the Debtor assumes that it will be permitted to reject the Leases under section 365 of the Bankruptcy despite its bad faith surrounding not only the orchestration of this chapter 11 case, but also in the face of the Debtor's abandonment of the premises and failure to deliver keys and codes to the properties. Second, if the cap under section 502(b)(6) of the Bankruptcy Code applies at all, the Debtor miscalculates the capped Lease claims. Third, there is no legal basis to merge the liabilities under the Leases with the liabilities under the Guaranties. In fact, the Debtor wholly ignores the Guaranty liabilities. The Debtor cannot magically wipe out an entire category of claims through the improper use of the Delaware divisive merger statute.

26. Schedule A to the Plan is incorrect and the Debtor provides no basis for its calculation. Contemporaneously with the filing of this Objection, each Landlord is filing three separate claims against the Debtor: (i) one claim under the respective lease (the "Lease Claim"); (ii) one claim under the respective guaranty (the "Guaranty Claim"); and (iii) one claim based upon each Landlord's respective indemnification rights (the "Indemnification Claim"). For ease of reference, these proofs of claim assert as follows:

Landlord	Lease Claim	Guaranty Claim	Indemnification Claim
President and Fellows of Harvard College	Capped: $16,602,004.50 Uncapped: $252,936,589.27	Capped: $16,602,004.50 Uncapped: $252,936,589.27	Unliquidated
92 Crowley Owner (DE) LLC	Capped: $21,760,863 Uncapped: $69,136,095	Capped: $21,760,863 Uncapped: $69,136,095	Unliquidated
CEGM Alachua, LLC	Capped: $10,144,220 Uncapped: $73,771,169	Capped: $10,144,220 Uncapped: $73,771,169	Unliquidated
Totals	Capped: $48,507,087.50 Uncapped: $395,843,853.27	Capped: $48,507,087.50 Uncapped: $395,843,853.27	Unliquidated

27. In the aggregate, the Landlords assert (i) $48,507,087.50 in capped claims under only the Leases if the Court grants the Rejection Motion and (ii) an additional $48,507,087.50 in capped Guaranty Claims.[9] Given the conduct of the non-Debtor affiliates and the Debtor prior to the Petition Date, the Landlords have sustained damages in unliquidated amounts that are not included in the capped lease rejection damage claims. According to the Debtor's Schedules, the Debtor only has $41,451,730.81 in total assets, allegedly comprising (i) $4,749,999.81 in funds in a checking account at East West Bank and (ii) a "receivable from Resilience SPV 2025, LLC" in the amount of $36,701,731.00. Both the Disclosure Statement and Plan are silent as to what funds will be used to satisfy Plan payments. Notably, both of these figures differ materially from prior representations made to the Court regarding the assets of the estate.[10] Additionally, the Debtor has

[9] This is markedly different that the $23,023,518.05 in aggregate asserted rejection damages claims for the Landlords in Schedule A to the Plan.

[10] See Declaration of Christopher S. Sontchi in Support of Motion of Debtor for Entry of an Order (I) Authorizing the Debtor to Enter Into Post-Petition Financing Agreement and Obtain Post-Petition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Modifying the Automatic Stay, and (III) Granting Related Relief [D.I. 15], ¶ 7 ("As part of the Corporate Transactions, $42,575,509 was allocated to the Debtor as a receivable."); Declaration of Chirstopher S. Sontchi, Independent Manager of the Debtor, in Support of Chapter 11 Petition and First Day and Other Pleadings [D.I. 6], ¶ 22 ("In addition to the leases and related assets and its indirect membership interest in AGS, the Debtor held approximately $41.4 million in cash and receivables as of the Petition Date."); Sontchi Depo Tr. at 39:19–20 ("There's a – yes. There's a $40 million approximately receivable, I think, from parent that's payable to – owed to Bedmar, LLC, $5 million or so ever which is funded already and I believe was funded prepetition, and the rest is available to pay the claims when we confirm a plan.").

still not, over a month into this chapter 11 case, provided any basis for the receivable purportedly due from an entity that does not appear on the organizational chart included in the independent manager's supplemental first day declaration and an entity with which the Debtor could have done no business. *See* D.I. 41-1.

28. Regardless, and even before considering any other landlord claims in this chapter 11 case, upon information and belief, the Debtor's assets are insufficient to satisfy the Landlords' and other creditors' filed and deemed *prima facie* valid claims.

29. The Debtor states in the global notes to the Schedules that, according to the Debtor's books and records (books and records which presumably only came into existence on June 3, 2025 because no books and records were allocated to the Debtor), "uncapped rejection damages claims are materially higher and are estimated to be approximately $372 million." As noted in the chart above, based on only these three Landlords' uncapped claims, the actual figure is significantly higher.

30. Even with lease claims capped under section 502(b)(6), upon information and belief, the Debtor's assets are still insufficient to pay creditors in full. That is because each Landlord has three claims: a Lease Claim *and* a Guaranty Claim, in addition to an Indemnification Claim, plus claims for unpaid amounts due June and July, and possibly thereafter. Prior to the Corporate Transactions, in the event of a default, (i) Harvard had a lease claim against Resilience Boston, Inc. and a guaranty claim against National Resilience, Inc.; (ii) 92 Crowley had a lease claim against Resilience US, Inc. and a guaranty claim against National Resilience, Inc.; and (iii) Alachua had a lease claim against Alachua Government Services, Inc. and a guaranty claim against National Resilience, Inc. If both the applicable tenant and National Resilience, Inc. filed for chapter 11, each Landlord would been allowed a capped rejection damages claim against both

entities and could recover against both up to the full amount of the capped damages from each entity. In that scenario, the Landlords would likewise fight any attempt to substantively consolidate the estates.

31. The Debtor cannot evade this result by National Resilience's purported allocation of the Guaranties to Bedmar Holdco, LLC and then merging that entity into the Debtor. To find otherwise effectively provides a pre-bankruptcy discharge of the guaranty liabilities without any semblance of due process. The divisions and mergers are fraudulent transfers because they were done to hinder creditors from collecting on their respective, independent Guaranty Claims.

32. The non-Debtor affiliates have not committed to fund all claims in full in whatever amount allowed. The Plan is not feasible.

iii. The Debtor did not propose the Plan in good faith or in compliance with applicable law.

33. Section 1129(a)(3) of the Bankruptcy Code requires that a plan must be proposed in good faith and not by any means forbidden by law. As set forth at length in the Motion to Dismiss, bad faith darkens this entire chapter 11 case. The Landlords incorporate by reference the arguments made in the Motion to Dismiss.

34. The good faith standard requires that a debtor propose a plan "with honesty, good intentions and a basis for expecting that a reorganization can be effected with results consistent with the objectives and purposes of the Bankruptcy Code." *In re Zenith Electronics Corp.*, 241 B.R. 92, 107 (quoting *In re Sound Radio, Inc.*, 93 B.R. 849, 853 (Bankr. D.N.J. 1988)). The court in *Zenith* affirmed that, not only must a plan comply with the general requirements of the Bankruptcy Code, but it must also meet the standards for transactions under state law, including Delaware corporate law. *Id.* at 108.

35. The Plan here meets neither standard. The intent of the Plan is clear—erect a shield against liability of non-Debtor affiliates through undisclosed Corporate Transactions, saddle the Debtor with its affiliates' liabilities without adequate consideration, impair the Landlords by limiting the types of claims and mechanisms for submission of claims and opt-out notices, and treat all such claims to a limited, insufficient pot. The Plan serves no valid bankruptcy purpose for the Debtor.

36. Critically, the Debtor has failed to disclose even minimal information necessary to understand the Corporate Transactions or make a determination as to their purported validity. Through discovery, the non-Debtor affiliates have produced various documents regarding the apparent steps comprising the Corporate Transactions, along with a "Plan of Division." However, the non-Debtor affiliates have marked these documents—documents that appear to admit to the occurrence of intentional fraudulent transfers—as "Professional's Eyes Only" or "Settlement Proposals subject to FRE 408." Certainly, the Court should not permit the Debtor and its non-Debtor affiliates to carte-blanche hide behind privilege and inapplicable evidentiary protections for documents going to the very heart of this chapter 11 case.

37. As discussed in the Motion to Dismiss, the independent manager of the Debtor admitted during his deposition that the purpose of this chapter 11 case is to "help restructure the business side of National Resilience."[11] But National Resilience is not the debtor. As the final step in the Corporate Transactions, the Plan seeks to achieve this end by discharging National Resilience, Inc.'s liability as a guarantor under each of the Leases in violation of section 524(e) of the Bankruptcy Code. The Debtor's purported allocation of the Leases and Guaranties (with the

[11] *See* Sontchi Depo Tr. 36:8–18.

allocation of Indemnification Claims not disclosed) likewise violates the terms of those agreements, and also violates state law. *See* Mot. to Dismiss, ¶ 46.

38. Not only has the Debtor not proposed the Plan in good faith, but it has also done so in violation of applicable law. As discussed in the Motion to Dismiss, 6 Del. C. § 18-217 is clear—should a transaction in a division be deemed a fraudulent transfer, both the dividing company and the resulting divided company are jointly and severally liable; such claims are not to be released under a plan proposed contemporaneously with such division in contravention of state law.

39. The Debtor must prove that each step of the Corporate Transactions was not a fraudulent transfer; it cannot dismiss the question outright. As it stands, the Debtor has failed to do so; rather, the Debtor admits that the Corporate Transactions and the commencement of this chapter 11 case were intended to hinder or delay creditors of the non-Debtor affiliates and the Debtor. Accordingly, each of the dividing companies, including National Resilience, Inc. and Bedmar Member, Inc. are jointly and severally liable to the Landlords and other creditors.

40. Finally, the Debtor may have violated section 363 of the Bankruptcy Code by improperly authorizing the chapter 11 filing of its indirect subsidiary, Alachua Government Services, Inc. ("AGSI"), if it did, or by failing to obtain the Court's authority to use its indirect equity interest outside of the ordinary course of business by commencing that case. As is the case with Bedmar, LLC, there are more questions than answers currently with respect to that filing. On behalf of Alachua, counsel to the Landlords questioned the proposed CRO to AGSI at the first day hearing regarding whether Bedmar, LLC authorized the AGSI filing or whether any such consent was sought. The CRO could not answer. As of the filing of this Objection, there is no evidence in the record of either bankruptcy case to deny that the Debtor violated the Bankruptcy Code,

adding another concern regarding the Debtor's good faith and compliance with the elements of section 1129(a) of the Bankruptcy Code.

41. The Debtor filed its chapter 11 case in bad faith and likewise filed its Plan in bad faith in violation of section 1129(a)(3) of the Bankruptcy Code. The Debtor's scheme is premised on fraudulent transfers in violation of the LLCA with the Plan injunction, debtor releases, and third party releases under the Plan to wipe the slate clean. Delaware law does not countenance such a schedule. 6 Del. C. § 18-217. As a result, notwithstanding whether this Court determines that the Plan was filed in good faith, the Plan still is unconfirmable because it violates the second clause of section 1129(a)(3).

iv. The Debtor is ineligible for a discharge.

42. Section 1129(a)(1) of the Bankruptcy Code provides that a plan must comply with all applicable provisions of the Bankruptcy Code. The Debtor's Plan does not. Article IX of the Plan states that, upon the effective date, the Debtor will receive a discharge of all claims, interests, and causes of action of any nature whatsoever under section 1141(d) of the Bankruptcy Code. However, a discharge in this chapter 11 case would violate section 1141(d)(3) of the Bankruptcy Code.

43. Section 1141(d)(3) of the Bankruptcy Code provides:

> The confirmation of a plan does not discharge a debtor if—
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> (A) the plan provides for the liquidation of all or substantially all of the property of the estate;
>
> (B) the debtor does not engage in business after consummation of the plan; and
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> (C) the debtor would be denied a discharge under section 727(a) of this title if the case were a case under chapter 7 of this title.

The record (although limited by the Debtor's lack of disclosures) is clear. Through the Rejection Motion, the Debtor is rejecting and surrendering or otherwise abandoning its leases and all remaining property (if it has not done so already).[12] If confirmed, the remaining funds in the estate will be used to pay the Debtor's professionals, other administrative claims, and rejection damages claims. What is left will be an empty shell. While the Debtor can dress this Plan up to be a "reorganization" which strips value from its creditors for the benefit of its non-Debtor affiliates, this is a liquidating Plan.

44. To be sure, not only does the Debtor admittedly have no employees, operations, or even the prospect of future operations,[13] the Bedmar, LLC operating agreement (the "Operating Agreement") confirms that the Debtor is, in fact, prohibited from "engag[ing], directly or indirectly, in any business other than the actions required or permitted to be performed under Section 7."[14] Section 7 of the Operating Agreement limits the purposes of the Debtor to (i) owning and managing its real estate lease assets; and (ii) engaging in lawful acts related to or incidental to clause (i).[15] But the Debtor has already surrendered or otherwise abandoned its entire lease portfolio, rendering it unable to operate post-consummation of the Plan.

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[12] Upon information and belief, the Debtor permitted its non-Debtor affiliates, possibly both prepetition and postpetition, to strip the property located in, on, or about each of the premises under the Leases without any disclosure of title or value. Will the Debtor's independent manager investigate that activity as well? Furthermore, the Debtor did not and has not delivered to the Landlords the keys and codes to the properties, except maybe 92 Crowley. Alachua only gained entry to the full premises on July 16, 2025, and only with the assistance of a locksmith. Harvard is still awaiting the return from the non-Debtor affiliates the building information management system they removed and still has not received delivery of keys and codes.

[13] The Services Agreement between the Debtor and National Resilience Holdco, Inc., a copy of which is attached to the Debtors' Cash Management Motion [D.I. 5], contains no representation or other statement regarding the prospect of future operations. In contrast, the services rendered under the Services Agreement are limited to those related to the surrender of the Debtor's leases and maintenance expenses limited to June 2025.

[14] As of the filing of this Objection, the Debtor has marked all documents produced during discovery as "Confidential" or "Highly Confidential," including its Operating Agreement. Accordingly, the Landlords have not attached a copy of this Operating Agreement to this Objection.

[15] *See* BEDMAR0002090.

45. Further, as evidenced by the recent chapter 11 filing of AGSI, even the Debtor's subsidiaries are being wound down and liquidated. The first day declaration in that case states expressly "The Debtor intends to use the protections provided by chapter 11 to wind down its operations and sell its remaining assets for the benefit of its stakeholders."[16] The Debtor's Form 426 [D.I. 177] confirms that AGS Holdco, LLC, in which the Debtor has a 51% interest, is inactive and conducts no business. The Debtor places no value on that majority ownership stake nor on its indirect ownership of AGSI.

46. Bedmar, LLC is to be denied a discharge under section 727(a) of the Bankruptcy Code because it is not an individual. *See, e.g.*, *In re Flintkote Co.*, 486 B.R. 99, 129 n.80 (Bankr. D. Del. 2012) ("Section 1141(d)(3)(C) is always satisfied for corporate debtors, as they cannot receive discharges in chapter 7.").

47. Accordingly, Article IX.A. of the Plan, which purports to discharge the Debtor, violates the Bankruptcy Code. The Plan cannot be confirmed,

C. The Disclosure Statement lacks adequate information.

48. Because the Landlords are impaired, the Debtor was required to solicit votes compliant with the standards of section 1125 of the Bankruptcy Code. The Debtor's purported Disclosure Statement fails and should not be approved. Section 1125 of the Bankruptcy Code requires that a disclosure statement contain "adequate information" to enable parties in interest to make an informed judgment about the plan.

49. Here, the Disclosure Statement fails to provide adequate information. The Disclosure Statement glosses over the Corporate Transactions in little more than one page out of the 45 page document. The Debtor fails to include a step chart, any discussion of who authorized

[16] Case No. 25-11289 [Docket No. 16], ¶ 28.

each step in the process, or what consideration was provided in exchange for each of the various mergers, divisions, and allocations of assets and liabilities. For example, there is no information as to the roughly $41,000,000 allocated to the Debtor, but which is referred to as a "receivable." There is no disclosure of the nature of the transaction giving rise to the receivable, as, upon information and belief, the non-Debtor affiliate obligated on the so-called receivable was formed as part of the Corporate Transactions and its ownership is undisclosed. The Landlords are unsure whether the amount of the "receivable" is even remotely accurate.

50. The Schedules differ from the representations made at the first day hearing, which, in turn, differ from statements made in other filings.[17] There is no mention of Resilience SPV 2025, LLC, its ownership structure or any agreements it has with the Debtor. The Disclosure Statement does not contain a liquidation analysis or any related discussion, nor any valuation of the 51% interest in AGS Holdco, Inc. the Debtor was allocated through the Corporate Transactions. The Disclosure Statement likewise does not disclose that National Resilience purportedly loaned approximately $5.8 million to AGSI to then pay to Bedmar, LLC in connection with the assignment of the Alachua Lease. The Landlords are only aware of this insider transaction through filings in the AGSI case, *not* the Debtor's chapter 11 case.

51. The Disclosure Statement also fails to provide information as to the non-Debtor affiliates' financial wherewithal or any representation that such entities have additional funds, benefit from equity or debt commitments, conditions to any additional funding, or that they have committed to backstop payment in full of all allowed claims in this case.

52. The Plan Supplement fails to cure these deficiencies. To date, the Debtor's Plan Supplement comprises only a schedule of "Retained Causes of Action" and the identity of the

[17] *See supra* n.9.

Reorganized Debtor's manager. There is no disclosure which non-Debtor affiliate and which officers or directors of the non-Debtor affiliates participated in or directed the Corporate Transactions. Nor is there any disclosure of the monthly carry of the seven leases, and why adequate funding for a month was not provided in an organized manner to turn over these single-tenant, highly technical, facilities. Instead, the Debtor abandoned these properties, putting the premises at risk.

53. As noted above, because the Landlords are impaired, the Debtor must solicit votes to accept or reject the Plan, must provide adequate disclosures, and must serve the Disclosure Statement in accordance with section 1125 of the Bankruptcy Code. As it stands, the Disclosure Statement does not contain adequate information for the Landlords to make an informed decision as to whether to vote to accept or reject the Plan.

D. The Plan Releases violate *Purdue Pharma*, are overbroad, and are inappropriate under the circumstances.

54. The Plan defines "Released Parties" as:

> collectively, each of, and in each case in its capacity as such: (a) the Debtor; (b) the Reorganized Debtor; (c) each Non-Debtor Affiliate; (d) each of the Debtor's and Non-Debtor Affiliates' current and former directors, officers, managers, and proxyholders; (e) each Releasing Party; and (f) each Related Party of each Entity in clause (a) through (e); provided, that in each case, an Entity shall not be a Released Party if it (i) timely Files with the Bankruptcy Court on the docket of the Chapter 11 Case an objection to this Plan on the basis of the Claimant Release that is not resolved before Confirmation or (ii) elects to opt out of the Releases.

The Plan defines "Related Party" as:

> an Entity's predecessors, successors and assigns, parents, subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors (other than the Debtor's former officers and directors employed prior to, but not on or after, the Petition Date), principals, shareholders (and any fund managers, fiduciaries or other agents of shareholders with any involvement related to the Debtor), members, partners, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, actuaries, investment bankers, consultants, representatives, management companies, fund advisors and other

> professionals, and such persons' respective heirs, executors, estates, servants and nominees.

55. There is no legitimate reason to release the non-Debtor affiliates. The Debtor was formed on June 3, 2025 and filed for bankruptcy six days later. There is no official committee oversight, nor has there been a reliable, independent investigation by an estate fiduciary. The Plan's proposed third party releases are *non-consensual*—the Debtor has filed this Plan in bad faith for the sole benefit of the non-Debtor affiliates at the expense of the Landlords. The Landlords do not consent to these releases. In fact, contemporaneously with the filing of this Objection, each of the Landlords is filing a notice with the Court that it is affirmatively opting out of these releases. Non-consensual releases are not permitted under the Bankruptcy Code.[18]

56. Even prior to *Purdue*, the third party releases here would have been inappropriate. "The hallmarks of permissible non-consensual releases—fairness, necessity to the reorganization, and specific factual findings to support these conclusions—are all absent here." *In re Continental Airlines*, 203 F.3d 203, 214 (3d Cir. 2000). As the court noted in *In re Aegean Marine Petroleum Network Inc.*, 599 B.R. 717, 726–27 (Bankr. S.D.N.Y. 2019):

> [T]hird-party releases are not a merit badge that somebody gets in return for making a positive contribution to a restructuring. They are not a participation trophy, and they are not a gold star for doing a good job. Doing positive things in a restructuring case – even important positive things – is not enough. Nonconsensual releases are not supposed to be granted unless barring a particular claim is important in order to accomplish a particular feature of the restructuring.

57. There is nothing fair or necessary about, nor is there any factual support for, a grant of releases to not only each of the non-descript "Non-Debtor Affiliates" and each of the Non-Debtor Affiliates' current and former directors, officers, managers, and proxyholders, but also to the roughly 30 categories of "Related Parties".

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[18] *See Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024) (holding that the Bankruptcy Code does not authorize a bankruptcy court to approve nonconsensual third party releases).

58. The Landlords have all affirmatively opted out of any third party releases under the Plan. Regardless, the Court should not permit the Debtor to use the Plan to create what is essentially a bankruptcy discharge in favor of each non-Debtor affiliate.

RESERVATION OF RIGHTS

59. Nothing in this Objection is intended to be, or should be construed as, a waiver by the Landlords of any of their respective rights under the Leases, the Guaranties, other agreements, documents and instruments related to the Leases and Guaranties, the Bankruptcy Code, or applicable law, all of which rights, claims, and causes of action are expressly reserved. The Landlords likewise reserve all rights to reply to any confirmation brief filed in this chapter 11 case or other response to this Objection and to supplement its filings based upon the ongoing discovery process with the Debtor and the non-Debtor affiliates.

[*Remainder of page intentionally left blank*]

WHEREFORE, the Landlords respectfully request that the Court deny approval of the Disclosure Statement and deny confirmation of the Plan, and grant such other and further relief as this Court deems just and proper.

Dated: July 16, 2025
Wilmington, Delaware

DLA PIPER LLP (US)

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