PETER C. ANDERSON
UNITED STATES TRUSTEE
MICHAEL JONES, State Bar No. 271574
ASSISTANT UNITED STATES TRUSTEE
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TRIAL ATTORNEY
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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re: **OCEANWIDE PLAZA LLC,** Debtor.	Case No.: 2:24-bk-11057-DS Chapter 11 **UNITED STATES TRUSTEE'S NOTICE OF MOTION AND MOTION UNDER 11 U.S.C. § 1112(b) TO DISMISS, CONVERT, OR DIRECT THE APPOINTMENT OF A CHAPTER 11 TRUSTEE, OR FOR A DEADLINE TO OBTAIN INSURANCE; DECLARATIONS OF LEGAL ANALYST MARLENE FOUCHE AND ASSISTANT UNITED STATES TRUSTEE MICHAEL JONES IN SUPPORT THEREOF** Hearing Date: July 25, 2024 Time 1:00 PM Place Courtroom 1639 255 E. Temple St. Los Angeles, CA 90012

TO THE HONORABLE DEBORAH SALTZMAN, UNITED STATES BANKRUPTCY JUDGE, DEBTOR, DEBTOR'S COUNSEL, AND ALL PARTIES IN INTEREST:

PLEASE TAKE NOTICE that on July 25, 2024, at 1:00 PM in Courtroom 1639, or as soon thereafter as the matter may be heard, Peter C. Anderson, United States Trustee for the Central District of California ("U.S. Trustee"), will, and hereby does, move this Court for an order dismissing the case or converting it to Chapter 7, or directing the appointment of a Chapter 11 trustee pursuant to 11 U.S.C. § 1112(b), for cause as set forth below. In the alternative, the Court should order that insurance must be obtained by a specific deadline.

This Motion is based upon this Notice of Motion, the Memorandum of Points and Authorities attached hereto, all other papers and pleadings on file with this Court, and such argument or evidence as the Court might receive at the time of the hearing on the Motion. Adequate and appropriate insurance coverage is necessary to protect the risk to the estate and to the public, a requirement included by Congress under title 11 of the United States Code. *See* 11 U.S.C. § 1112(b)(4)(C). However, the Debtor has failed to obtain adequate and appropriate insurance coverage and has left more than a billion dollars of estate assets entirely uninsured.

Local Bankruptcy Rule 9013-1(1)(f) requires that any opposition or response to this Motion must be stated in writing, filed with the Clerk of the Court, and served on the United States Trustee at 915 Wilshire Blvd, Suite 1850, Los Angeles, CA 90017, at least 14 days prior to the hearing. Failure to file and serve any opposition may be considered consent to the relief requested in this Motion.

DATE: June 26, 2024

Respectfully Submitted,
PETER C. ANDERSON
UNITED STATES TRUSTEE

By: */s/ Noreen A. Madoyan*
Noreen A. Madoyan
Attorney for the United States Trustee

I. INTRODUCTION

On February 13, 2024 (the "Petition Date"), Lendlease (US) Construction Inc., Standard Drywall, Inc., Star Hardware, Inc., Woodbridge Glass Inc., and Mitsubishi Electric US, Inc. filed an involuntary petition for relief against Oceanwide Plaza, LLC (the "Debtor:) under chapter 11 of the United States Bankruptcy Code (the "Involuntary Petition").

Shortly thereafter, on March 8, 2024, the Debtor consented to entry of an order for relief. The U.S. Trustee shows that cause exists for dismissal, conversion to Chapter 7, or the appointment of a Chapter 11 trustee pursuant to 11 U.S.C. § 1112(b), because the Debtor has failed to maintain adequate insurance.

II. JURISDICTION AND STANDING

This Court has jurisdiction of this matter under 28 U.S.C. § 1334(a) and (b), 28 U.S.C. § 157(a) and (b)(1), and 28 U.S.C. § 151. This is a core proceeding under 28 U.S.C. § 157 (b)(2)(A) and (B). This motion is filed pursuant to 11 U.S.C. § 1112(b).

III. STATEMENT OF FACTS

An involuntary Chapter 11 petition was filed against the Debtor on February 13, 2024.[1] On March 11, 2024, the Court entered an Order for Relief granting the involuntary petition and directing the Debtor continue to remain in possession of its property as a debtor-in-possession.

The primary asset of the Estate is a parcel of real property, currently under development, located at 1101 South Flower Street, Los Angeles, CA 90015 (the "Real Property"); the Real Property is represented by the Debtor on Schedule A/B to have a value of more than $1 billion dollars.[2] The Real Property is currently a construction site, still under development, and only 60% complete. Sadly, the site was substantially vandalized by graffiti artists to such an

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[1] The U.S. Trustee respectfully requests that the Court take judicial notice of the Debtor's petition, schedules, statement of financial affairs, and other documents filed therewith and any amendments thereto which are in the Court's file, pursuant to Fed. R. Evid. 201, as made applicable to bankruptcy proceedings by Fed. R. Bankr. P. 9017. The information contained in these documents, signed under penalty of perjury by the Debtor, are admissible admissions of the Debtor pursuant to Fed. R. Evid. 801(d).

[2] The valuations provided throughout are provided in rounded numbers for ease of reading.

overwhelming extent that it is referred to as the "graffiti towers" in national print and television media. The graffiti is so pervasive that Google Maps identifies the site as "Graffiti Towers" on its maps of Los Angeles.

Additionally, a significant amount of Personal Property intended for use in the construction is being stored by the Debtor onsite at the Real Property. The Debtor's Schedule A/B list over $82 million in "Raw materials" alone, consisting of numerous items presumably to be used in the construction taking place at the Real Property (hereinafter, the "Raw Materials"). While the U.S. Trustee does not know if all the Raw Materials are located onsite at the Real Property, much of it appears to be there based on a recent tour of the property. For example, the various parts and pieces of the LED signage that will go on the exterior of the building is located onsite, and these have a scheduled value of over $13 million (Schedule A/B, item 19.11). Altogether, the tangible personal property identified on Schedule A/B as "inventory" and "office furniture, fixtures, and equipment" amounts to $130 million.

The Debtor has failed to maintain adequate insurance over the valuable assets of the estate. Neither the Real Property, valued over $1 billion, nor the Raw Materials, valued over $80 million, are insured for loss. The Debtor has only maintained general liability insurance with a policy limit of no more than $9 million,[3] and this policy only protects the estate from third-party claims alleging loss from the Debtor's actions or inactions. The Debtor has no insurance coverage whatsoever for loss to estate property.

The risk of loss to the estate is substantial, and as such, the insurance coverage for property of the estate needs to be dramatically increased from $0 to a more appropriate amount, taking into consideration the risk to the estate and the value of the estate property. Under the U.S. Trustee Guidelines, a debtor:

> [M]ust maintain appropriate insurance coverage for all estate property, including vacant land, naming the debtor as the primary insured. Lender-placed insurance is not sufficient. Listed

[3] It is unclear whether the Debtor's general liability coverage is $7 million or $9 million, but either amount would not cover a loss to the estate.

below are the types of insurance coverage that normally are required for most bankruptcy estates.

a. General comprehensive public liability insurance;

b. Fire and theft coverage;

c. Worker's compensation insurance;

d. Motor vehicle insurance;

e. Product liability insurance; and/or

f. Any other insurance coverage customary in debtor's business.

See Guidelines, I.E.1.[4]

The risk of loss to the estate is substantial. The estate has more than a billion dollars of real estate, and hundreds of millions of dollars in personal property. Even with these high value assets, the Debtor has left the estate property entirely exposed to loss, and has not maintained adequate insurance, despite continual requests by the U.S. Trustee to do so.

Debtor recently represented to the U.S. Trustee's office that it was impossible to insure the real property in its current state, but that once the fire suppression system came online, it would at least be *possible* to obtain insurance. At a recent meeting on May 30, 2024, with the Chief Restructuring Officer of the Debtor ("CRO") and other significant interested parties, the U.S. Trustee's office was advised that the fire suppression system would be functional within 3-4 weeks. Accordingly, the "impossibility" of insuring the Real Property should no longer be an issue by July.

The CRO has also advised the U.S. Trustee that even when insurance for estate assets becomes possible, it will be extremely expensive to the estate and very limited in its coverage. The CRO has provided the U.S. Trustee with an email from its insurance broker indicating that multiple underwriters declined to insure the property at all, and only one agreed to potentially do so on very limited terms. The one insurer that showed interest in insuring the property is only offering $10

[4] The most recent guidelines issued by the U.S. Trustee's Regional Headquarters – U.S. Trustee Guidelines and Requirements for Chapter 11 Debtors in Possession for all cases filed in the Central District of California, effective on September 1, 2022, are commonly known as the "UST Guidelines". A true and correct copy of the UST Guidelines is attached as Exhibit 1.

million of coverage to the Real Property, with a $1 million sublimit for vandalism and theft, no earthquake coverage at all, and a $1 million deductible; this limited coverage policy would have an annual premium of $2.1 million. Because of the limited coverage, and high premium cost, the Debtor has indicated it is not inclined to obtain even the insurance that is possible, indicating that the lenders secured against the Real Property also oppose purchasing the insurance.

Adequate and appropriate insurance coverage is necessary to protect the risk to the estate and to the public, a requirement included by Congress under title 11 of the United States Code. *See* 11 U.S.C. § 1112(b)(4)(C). However, the Debtor has failed to obtain adequate and appropriate insurance coverage and has left more than a billion dollars of estate assets entirely uninsured. Worse, the Debtor has openly admitted that it does not intend to insure the estate property, but instead intends to only maintain the general liability policy that protects against claims from third-parties.

IV. <u>LEGAL ARGUMENT</u>

A. <u>CONVERSION OR DISMISSAL UNDER 11 U.S.C. § 1112(b)</u>

11 U.S.C. § 1112(b)(1) states:

> Except as provided in paragraph (2) and subsection (c), on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause unless the court determines that the appointment under section 1104(a) of a trustee or an examiner is in the best interests of creditors and the estate.

Section 1112(b)(4)(C) states that the term "cause" includes the failure to maintain appropriate insurance that poses a risk to the estate or to the public. Additionally, the bankruptcy court has broad discretion in determining what constitutes "cause" adequate for dismissal under 11 U.S.C. § 1112(b). *See In re Consol. Pioneer Mortg. Entities*, 248 B.R. 368, 375 (9th Cir. B.A.P. 2000). While section 1112(b)(4) identifies factors that can constitute "cause" for dismissal of a case, the list is not exhaustive. *Id*. Even so, Congress has explicitly identified the failure of a debtor to maintain appropriate insurance as a "cause" worthy of dismissing a bankruptcy proceeding.

Under 11 U.S.C. § 1112(b)(1), when the court finds "cause" to dismiss or convert a chapter 11 case, the court must decide which of the several court courses of action will best serve the estate's creditors. It must: "(1) decide whether dismissal, conversion, or the appointment of a trustee or examiner is in the best interests of the creditors and the estate; and (2) identify whether there are unusual circumstances that establish that dismissal or conversion is not in the best interests of creditors and the estate." *In re: Sullivan*, 522 B.R. 604, 612 (9th Cir. BAP 2014).

Local Bankruptcy Rule 2015-2(a) also mandates timely compliance with the reasonable requirements of the U.S. Trustee, and there has been no compliance at all. The U.S. Trustee has insisted that the Real Property, and other assets of the estate, be adequately insured and the Debtor has failed to obtain and maintain the required insurance. As such, the Debtor is in noncompliance with the U.S. Trustee's requirements, the Bankruptcy Code's insurance requirements, and the Local Rules.

B. <u>THE DEBTOR'S FAILURE TO MAINTAIN INSURANCE THREATENS PUBLIC SAFETY AND EXPOSES THE ESTATE TO LIABILITY.</u>

A debtor's "failure to maintain appropriate insurance that poses a risk to the estate or the public" constitutes "cause" for dismissal. 11 U.S.C. § 1112 (b)(4)(C). A debtor must maintain property and liability insurance coverage so that the assets of the bankruptcy estate are protected against loss. *In re Van Eck*, 425 B.R. 54 (Bankr. D. Conn. 2010). *See also*, In re Pure Repair & Trucking, LLC, 658 B.R. 895 (Bankr. S.D. Ohio).

In this case, the primary asset of the estate is the Real Property, but that is not the only asset. When touring the Real Property on May 30th, substantial amounts of personal property intended to be used in the construction was located at the construction site, including LED signate valued at over $13 million, per the Debtor's schedules. The Raw Materials of the Debtor, much of which appear to be onsite at the Real Property, has a value of more than $80 million, and the total tangible personal property is $130 million. The Debtor's Net Book Value of its Interest in the Real Property itself is scheduled at $433.9 million.

The appropriate insurance coverage needed in this case would be coverage sufficient to cover he Real Property and the personal property of the Debtor. The Debtor does have a general liability policy, but it has a policy limit of only $9 million, and only insures against risk of harm to third parties. The risk of loss to property of the bankruptcy estate is not covered by any insurance policy whatsoever.

The opposition of the secured creditors in this case to insuring the Real Property is immaterial, as they may be adequately protected, but there are other creditors to the estate that are not protected from loss at all (*e.g.,* general unsecured creditors). The secured creditors can recover against their collateral for payment of their claims, but general unsecured creditors have no protection whatsoever for diminution of value of the property. As such, the exposure to loss by the general unsecured creditors due to the lack of insurance coverage is an unacceptable risk that demands appropriate insurance coverage.

The obligation to maintain insurance is a requirement under both the U.S. Trustee Guidelines and the Bankruptcy Code. The extent of coverage must be adequate, given the circumstances of the case, and the dollar amount of the insurance coverage must be sufficient to cover the fair market value of the estate's property. Accordingly, in this case, the appropriate insurance coverage would be, at a minimum, $433.9 million on the Real Property, representing the Debtor's stated interest in the real estate, and $130 million representing the tangible personal property identified on Schedule A/B as "inventory" and "office furniture, fixtures, and equipment".

The lack of adequate insurance in this case is a grave concern. As far as the U.S. Trustee is aware, the estate property is not insured against loss *at all*. Therefore, estate property is not being safeguarded, and thus, cause exists under 11 U.S.C. § 1112(b)(4)(C) to dismiss or convert this case.

The remedy for inadequate and inappropriate insurance is addressed directly by the Bankruptcy Code. Section 1112(b)(4)(c) of Title 11 provides that the Court *shall* convert a case to chapter 7, or dismiss a case, if a Debtor fails to maintain appropriate insurance that poses a risk to the estate or the public. 11 U.S.C. § 1112(b)(4)(c). While the insurance required of a debtor extends beyond property and liability insurance to protecting the tangible assets of the estate from loss, it *at least* includes that. As such the requirement for the installation and continuing maintenance of appropriate insurance coverage is contained within the Bankruptcy Code itself. *Id.* The insurance requirement is not just the U.S. Trustee's rule, it is also Congress' directive.

As such, because the Debtor has not maintained the appropriate insurance, dismissal appears to be in the best interest of creditors and the appropriate remedy in this case.

C. If THE CASE IS NOT DISMISSED, THE COURT SHOULD ESTABLISH A DEADLINE FOR COMPLIANCE

Although the U.S. Trustee believes that the best course of action for this case would be a dismissal, if the Court elects to not dismiss the case, the Court should establish a deadline for compliance. Considering the amount of risk exposure for the bankruptcy estate, the U.S. Trustee submits that the time allowed for the Debtor to come into compliance should be very brief.

Understanding that finding insurance has thus far been a daunting task for the Debtor, if the Debtor has not obtained the required insurance by that date, the Debtor should be ordered to file a status report detailing what efforts have been made to obtain the insurance and how those efforts are proceeding and a further hearing should be scheduled to address the insurance issues.

V. CONCLUSION

For the reasons set forth above, the Court should find that the Debtor's failure to obtain and maintain adequate insurance constitutes "cause" under § 1112(b) and, dismiss this case, and issue any other and further relief as this Court deems appropriate.

DATE: June 26, 2024

Respectfully Submitted,
PETER C. ANDERSON
UNITED STATES TRUSTEE

By: */s/ Noreen A. Madoyan*
Noreen A. Madoyan
Attorney for the United States Trustee

DECLARATION OF MARLENE FOUCHE

I, Marlene Fouche, hereby declare:

1. I am over the age of eighteen years, and if called upon to testify I could and would do so competently. I am employed by the United States Department of Justice as an Auditor in the Los Angeles Field Office of the United States Trustee Program. I am the Auditor assigned to the case of *In re Oceanwide Plaza LLC,* Case No. 2:24-bk-11057-DS. I have personal knowledge of the facts set forth herein, and based on that personal knowledge I assert that all such facts are true and correct to the best of my knowledge.

2. I am familiar with the procedures of the United States Trustee for maintaining paper and electronic submissions by debtors of the requirements of the United States Trustee for Chapter 11 debtors. These procedures include the routine maintenance of paper and electronic submissions by debtors in electronic files that are maintained for each Chapter 11 case in order to allow the United States Trustee to conduct his statutory duties. I have reviewed the files and electronic records of the United States Trustee for this case and have included the results of my review in this declaration.

3. Based on my review of the case file, the Debtor has failed to comply with the requirements of the U.S. Trustee's Guidelines and Requirements for Chapter 11 Debtors in Possession Effective September 1, 2022 ("UST Guidelines"), Bankruptcy Code, and/or Local Bankruptcy Rules by failing to provide documents, financial reports or attend requirement meetings as follows:

The Debtor has failed to provide sufficient evidence of current insurance coverage including: (a) the declaration page for each policy; and/or (b) insurance information in the Chapter 11 Compliance Declaration.

I declare under penalty of perjury that the foregoing facts are true and correct.

Executed on June 26, 2024, in Los Angeles, CA.

Fouche

Marlene Fouche,
Auditor

DECLARATION OF MICHAEL JONES

I, Michael Jones, hereby declare:

1. I am over the age of eighteen years, and if called upon to testify I could and would do so competently. I am employed by the United States Department of Justice as the Assistant United States Trustee in charge of the Los Angeles Field Office of the United States Trustee Program. I have been monitoring the case of *In re Oceanwide Plaza LLC,* Case No. 2:24-bk-11057-DS. I have personal knowledge of the facts set forth herein, and based on that personal knowledge I assert that all such facts are true and correct to the best of my knowledge.

1. The primary asset of the Bankruptcy Estate in this proceeding is a parcel of real property, currently under development, located at 1101 South Flower Street, Los Angeles, CA 90015 (the "Real Property"); the Real Property is represented by the Debtor on Schedule A/B to have a value of more than $1 billion dollars.[1]

2. The Debtor is required to provide the U.S. Trustee with evidence of its insurance, and the information provided to our office shows that the Debtor has failed to maintain adequate insurance of the valuable assets of the estate. Neither the Real Property, valued over $1 billion, nor the personal property of the Debtor, valued over $100 million, are insured for loss. The Debtor has only maintained general liability insurance with a policy limit of no more than $9 million,[2] and this policy only protects the estate from third-party claims alleging loss from the Debtor's actions or inactions. The Debtor has no insurance coverage whatsoever for loss to estate property. True and correct copies of the insurance certificates provided to our office are attached hereto as **Exhibit A**.

3. The risk of loss to the estate is substantial, and as such, the insurance coverage for property of the estate needs to be dramatically increased from $0 to a more appropriate amount, taking

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[1] The valuations provided throughout are provided in rounded numbers for ease of reading.

[2] It is unclear whether the Debtor's general liability coverage is $7 million or $9 million because the documents provided to our office show one policy number with coverage of $2 million and one policy number with coverage of $5 million, but the $5 million might have been a $5 million increase in a previous $2 million of coverage.

into consideration the risk to the estate and the value of the estate property. The United States Trustee requirement is that a debtor…

> "[M]ust maintain appropriate insurance coverage for all estate property, including vacant land, naming the debtor as the primary insured. Lender-placed insurance is not sufficient. Listed below are the types of insurance coverage that normally are required for most bankruptcy estates.
>
> a. General comprehensive public liability insurance;
>
> b. Fire and theft coverage;
>
> c. Worker's compensation insurance;
>
> d. Motor vehicle insurance;
>
> e. Product liability insurance; and/or
>
> f. Any other insurance coverage customary in debtor's business."

4. The Real Property is currently a construction site, under development, and only 60% complete. The site was substantially vandalized by graffiti artists to such an overwhelming extent that I have frequently heard and seen it referred to as the "graffiti towers" in national print and television media. I was amazed to find that the graffiti is so pervasive that Google Maps identifies the site as "Graffiti Towers" on its maps of Los Angeles.

5. On or about May 30, 2024, I personally meet with the Chief Restructuring Officer of the Debtor ("CRO") and other significant interested parties in the case. At this meeting, we initially discussed various aspects of the case, including the Debtor's insurance situation, and then we went and took a tour of the Real Property itself. At this meeting, the representatives of the Debtor advised that it was impossible to insure the real property in its current state, but that once the fire suppression system came online, it would at least be *possible* to obtain insurance. They further advised that the fire suppression system would be functional within 3-4 weeks of that meeting.

6. The CRO has also told me that even when insurance for estate assets becomes possible, it will be extremely expensive to the estate and very limited in its coverage. The CRO provided me with an email from its insurance broker indicating what insurance coverage is available to the Debtor, a true and correct copy of which is attached hereto as Exhibit B.

7. As shown in **Exhibit B,** the one insurer that showed interest in insuring the property is only offering $10 million of coverage to the Real Property, with a $1 million sublimit for vandalism and theft, no earthquake coverage, and a $1 million deductible; this limited coverage policy would have an annual premium of $2.1 million. Because of the limited coverage, and high premium cost, the Debtor's representative has indicated to me that the Debtor is not inclined to obtain even the insurance that is possible, indicating that the lenders secured against the real estate also oppose purchasing the insurance.

8. When I took a tour of the Real Property, I personally saw a significant amount of personal property being stored by the Debtor onsite at the Real Property. The Debtor's Schedule A/B list over $82 million in "Raw materials" alone, consisting of numerous items presumably to be used in the construction taking place at the Real Property (hereinafter, the "Raw Materials"). While I don't know if all of the Raw Materials are located onsite at the Real Property, much of it appears to be there based on my recent tour of the property. For example, the various parts and pieces of the LED signage that will go on the exterior of the building is located onsite, and these have a scheduled value of over $13 million all by itself (Schedule A/B, item 19.11). Altogether, the tangible personal property identified on Schedule A/B as "inventory" and "office furniture, fixtures, and equipment", amounts to $130 million.

9. Adequate and appropriate insurance coverage is necessary to protect the risk to the estate and to the public, a requirement included by Congress under Title 11 of the United States Code. 11 U.S.C. § 1112 (b)(4)(C). However, the Debtor has failed to obtain adequate and appropriate insurance coverage and has left more than a billion dollars of estate assets entirely uninsured. In my discussions with the representatives of the Debtor, the Debtor has openly admitted that it does not intend to insure the estate property, but instead intends to only maintain the general liability policy that protects against claims from third-parties.

10. To be compliant with the U.S. Trustee insurance requirements, the Debtor needs to maintain adequate and appropriate insurance, far beyond what it current has. Given the circumstances of the case, to be adequate, the dollar amount of the insurance coverage must be sufficient to cover the fair market value of the estate's property. Accordingly, in this case, the appropriate insurance

coverage would be, at a minimum, $433.9 million on the Real Property, representing the Debtor's stated interest in the real estate, and $130 million representing the tangible personal property identified on Schedule A/B as "inventory" and "office furniture, fixtures, and equipment".

I declare under penalty of perjury that the foregoing facts are true and correct.

Executed on June 26, 2024, in Columbus, SC.

Michael Jones

Michael Jones,
Assistant United States Trustee, Region 16

EXHIBIT A

Insurance Certificates Provided to U.S. Trustee

Insurance Coverage

Attachment 3.5

Policy Number: Date Entered: 4/3/2024

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 4/3/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Apex General Insurance Services, Inc. LIC# 0K98836 15456 Ventura Blvd, #202 Sherman Oaks, CA 91403	CONTACT NAME: PHONE (A/C, No, Ext): (310)882-5050 FAX (A/C, No): (310)882-5051 E-MAIL ADDRESS: info@apexgenins.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A : KINSALE INSURANCE COMPANY
INSURED OCEANWIDE PLAZA LLC 1101 FLOWER ST LOS ANGELES, CA 90015	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	UMBRELLA LIAB / X OCCUR X EXCESS LIAB / CLAIMS-MADE DED / RETENTION $			01002872710	03/28/2024	03/4/2025	EACH OCCURRENCE	$ 5,000,000
							AGGREGATE	$ 5,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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Policy Number:

Date Entered: 3/6/2024

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 3/6/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER
Apex General Insurance Services, Inc.
LIC# 0K98836
15456 Ventura Blvd, #202
Sherman Oaks, CA 91403

CONTACT NAME:
PHONE (A/C, No, Ext): (310)882-5050 FAX (A/C, No): (310)882-5051
E-MAIL ADDRESS: info@apexgenins.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : KINSALE INSURANCE COMPANY	
INSURER B : KINSALE INSURANCE COMPANY	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
OCEANWIDE PLAZA LLC

1101 FLOWER ST
LOS ANGELES, CA 90015

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY; [ ] CLAIMS-MADE [X] OCCUR; GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC; OTHER:			01002872540	03/04/2024	03/04/2025	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ EXCLUDED
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ EXCLUDED
								$
	AUTOMOBILE LIABILITY; [ ] ANY AUTO; [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS; [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
B	UMBRELLA LIAB [X] OCCUR; [X] EXCESS LIAB [ ] CLAIMS-MADE; DED RETENTION $			01002872710	03/04/2024	03/04/2025	EACH OCCURRENCE	$ 2,000,000
							AGGREGATE	$ 2,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N; ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) [ ]; If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT B

Email Showing Potential Insurance Coverage

Jones, Michael (USTP)

From: Bradley Sharp <bsharp@DSIConsulting.com>
Sent: Wednesday, June 12, 2024 2:42 PM
To: Jones, Michael (USTP)
Cc: Madoyan, Noreen (USTP); Sharon Z. Weiss (sharon.weiss@bclplaw.com)
Subject: [EXTERNAL] FW: Property

Follow Up Flag: Follow up
Flag Status: Flagged

Michael:

Per our discussion, please see the email below regarding the quote on the property insurance.

Please let me know if you have any questions.

DSI

333 South Grand Avenue
Suite 4100
Los Angeles, CA 90071

Bradley D. Sharp
President & CEO

Phone: (213) 617-2717
Direct: (213) 631-5295
Email: bsharp@dsiconsulting.com

www.dsiconsulting.com

vCard | LinkedIn

From: harry@apexgenins.com <harry@apexgenins.com>
Sent: Tuesday, June 4, 2024 2:10 PM
To: Wen Tan <wtan@brileyfin.com>
Subject: RE: Property

[EXTERNAL]
Good Afternoon Wen,

Further to our telephone conversation earlier,I received the following lead indication from my London counterpart this morning. Please note the terms indicated below are 20% supported and will need to be approved by the court prior to obtaining additional support.

We have secured some terms from one of our lead underwriters. This is obviously a fairly challenging risk which means for underwriters to offer terms they will be fairly restrictive.
We have had multiple declines on this risk, so these are very much the best terms we have so far. Please see below and let us know your thoughts.
If you think we need to pursue this indication, we probably need to discuss how this is presented and what additional information may be required etc…

Please note this is a **non-binding indication, with all terms and conditions to be agreed.**

Based on TIV: $434,525,492

All Risks excluding EQ
Primary $10m
Deductibles:

- AOP – USD 1,000,000 per occ.
- Theft, Vandalism, Malicious Acts – USD 1,000,000 per occ.
- Water Damage – USD 1,000,000 per occ.

Key sublimit:

- USD 1,000,000 Theft, Vandalism, Malicious Acts (in the annual aggregate)

Premium: $2,100,000
Support: 20% (Faraday)

This is subject to the following:

1) No cover currently given
2) **<u>All slip terms and conditions to be agreed.</u>**
3) Indication not to be considered open ended
4) Excluding any pre-existing damage
5) Subject no deterioration in loss history, which was presented as follows:

YOA	QUANTUM	LOSS
2018-19	$410,414	Water Damage from Heavy Rains
2019-20		
2020-21		
2021-22		
2022-23		
2023-24		

<u>PLEASE NOTE THE FOLLOWING:-</u>

I. The above indication is Non-Binding and any binding instructions can only be accepted upon the provision of a formal quotation from Amwins Global Risks or (re)insurers acceptance of the Firm Order Terms.
II. If you wish us to obtain a formal quotation please assist advise.
III. This indication is not to be considered open ended
IV. This indication is subject to "No deterioration in loss record". Should the loss record change this will need to be disclosed to (re)insurers, who then may alter the indication.
V. <u>Duty to Disclose Material Facts</u> - It is the (Re)Insured's duty to disclose all material facts to (re)insurers. A material fact is a fact which may influence (re)insurer's judgement in their assessment of a risk, including its terms and pricing. If you are in any doubt whether or not a fact is material, we recommend it is disclosed.
VI. <u>Subjectivities</u> - If the cover provided is granted by (re)insurers subject to certain requirements, failure to comply may result in cover not being in force. Please contact us immediately if you are unsure as to the meaning of a subjectivity, or if unable to comply within the timeframe specified.

The indication states All Risks excluding EQ. Let's discuss when you have a moment.

Thank You,

Harry Lorasbi

APEX
A Corporation

Apex General Insurance Services, Inc.

15456 Ventura Blvd #202. Sherman Oaks, CA 91403

info@apexgenins.com

Tel: 310-882-5050

Fax: 310-882-5051
www.apexgenins.com
License#: 0K98836

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
915 Wilshire Blvd, Suite 1850, Los Angeles, CA 90017

A true and correct copy of the foregoing document entitled (*specify*): ~~U.S. Trustee's Notice of Motion and Motion to Dismiss, Convert, or Direct the Appointment of a Trustee, or for a Deadlin~~ to Obtain Insurance

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 06/26/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

See attached.

☑ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:
On (*date*) 06/26/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

See attached.

☑ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) ________, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

06/26/2024	Noreen A. Madovan	/s/ Noreen A. Madovan
Date	*Printed Name*	*Signature*

TO BE SERVED VIA NOTICE OF ELECTRONIC FILING (NEF):

- **Melody G Anderson** manderson@kjfesq.com
- **James W Bates** jbates@jbateslaw.com
- **Ori S Blumenfeld** oblumenfeld@lakklawyers.com, ncondren@lakklawyers.com;smcfadden@lakklawyers.com
- **Paul Brent** snb300@aol.com
- **Sara Chenetz** schenetz@perkinscoie.com, docketLA@perkinscoie.com;cmallahi@perkinscoie.com;jkulow@perkinscoie.com;chenetz-sara-perkins-coie-8670@ecf.pacerpro.com;rleibowitz@perkinscoie.com
- **Jacquelyn H Choi** jacquelyn.choi@rimonlaw.com, docketingsupport@rimonlaw.com
- **Leslie A Cohen** leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com;clare@lesliecohenlaw.com
- **Gloria D Cordova** NEF@gcordovalaw.com, NEF@gcordovalaw.com;ssg@gcordovalaw.com
- **Sean C Coughlin** scc@coughlin-law.com, lb@coughlin-law.com;bcrena@noonanlance.com;ssuper@noonanlance.com
- **Matthew Dill** mdill@counsel.lacounty.gov
- **Luke N Eaton** lukeeaton@cozen.com, jacqueline.sims@troutman.com
- **Sonia Plesset Edwards** sedwards@garrett-tully.com
- **Jon F Gauthier** jgauthier@ftblaw.com, jrobinson@ftblaw.com;jmcfadden@ftblaw.com
- **Richard Girgado** rgirgado@counsel.lacounty.gov
- **Richard H Golubow** rgolubow@wghlawyers.com, jmartinez@wghlawyers.com;svillegas@wghlawyers.com
- **Mark Isola** misola@brotherssmithlaw.com
- **Gary E Klausner** gek@lnbyg.com
- **Noreen A Madoyan** Noreen.Madoyan@usdoj.gov
- **Allison C. Murray** acmurray@swlaw.com, kcollins@swlaw.com
- **Douglas M Neistat** dneistat@gblawllp.com, mramos@gblawllp.com
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- **Matthew D Pham** mpham@allenmatkins.com, mdiaz@allenmatkins.com
- **Michael B Reynolds** mreynolds@swlaw.com, kcollins@swlaw.com
- **Robert L. Rosvall** rrosvall@ccllp.law, kvargas@ccllp.law
- **Jeremy H Rothstein** jrothstein@gblawllp.com, msingleman@gblawllp.com;MBowes@gblawllp.com
- **Leonard M Shulman** lshulman@shulmanbastian.com, bcabrera@shulmanbastian.com;yrivera@shulmanbastian.com
- **Howard Steinberg** steinbergh@gtlaw.com, pearsallt@gtlaw.com;NEF-BK@gtlaw.com;howard-steinberg-6096@ecf.pacerpro.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Sharon Z. Weiss** sharon.weiss@bclplaw.com, raul.morales@bclplaw.com,REC_KM_ECF_SMO@bclplaw.com
- **J Scott Williams** jwilliams@williamsbkfirm.com, g24493@notify.cincompass.com
- **Donna Wong** donna.wong@lacity.org
- **Richard Lee Wynne** richard.wynne@hoganlovells.com, tracy.southwell@hoganlovells.com;cindy.mitchell@hoganlovells.com;rick-wynne-7245@ecf.pacerpro.com
- **Chelsea Zwart** czwart@cgdrlaw.com, service@cgdrlaw.com

UNITED STATES BANKRUPTCY COURT
Central District of California Los Angeles

In re: Oceanwide Plaza LLC, Debtor(s).	Case No.: 24-11057 Chapter: 11

PROOF OF SERVICE

I, Tinamarie Feil, state as follows:

I am over the age of 18 and not a party to the above-captioned case. I am employed by BMC Group, Inc., an Approved Bankruptcy Notice Provider authorized by the United States Courts Administrative Office, pursuant to Rules 9001(9) and 2002(g)(4) of the Federal Rules of Bankruptcy Procedure.

I declare that on 06/26/2024, as directed by Office of the United States Trustee, true and correct copy(s) of the following document(s) were served on the party(s) listed on the attached exhibit(s) via the mode(s) of service thereon indicated. Such service was performed under my direct supervision, by employees of BMC Group, Inc.

Oceanwide // Mtn to Dismiss

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.
06/26/2024

Tinamarie Feil

Tinamarie Feil
BMC Group, Inc.
Approved Bankruptcy Notice Provider
info@bmcgroup.com;
888.909.0100

Exhibit A - Certificate of Service
Oceanwide Plaza LLC 24-11057

List ID	Name and Address of Served Party	Mode of Service
17012	Bryan Cave Leighton Paisner LLP, Sharon Z. Weiss, 120 Broadway, Suite 300, Santa Monica, CA, 90401-2386, United States of America, sharon.weiss@bclplaw.com	**First Class**
17012	County of Los Angeles - Office of County, Matthew Dill, 500 Temple St, #648, Los Angeles, CA, 90012, United States of America, mdill@counsel.lacounty.gov	**First Class**
17012	County of Los Angeles - Office of County, Richard Girgado, 500 Temple St, #648, Los Angeles, CA, 90012, United States of America, rgirgado@counsel.lacounty.gov	**First Class**
17012	Greenberg Traurig, LLP, Howard Steinberg, 1840 Century Park East Ste 1900, Los Angeles, CA, 90067-2121, United States of America, steinbergh@gtlaw.com	**First Class**
17012	Oceanwide Plaza, LLC, 645 W. 9th Street, Unit 110-625, Los Angeles, CA, 90015	**First Class**
17012	PERKINS COIE LLP, Sara Chenetz, 1888 Century Park East, Suite 1700, Los Angeles, CA, 90067, United States of America, schenetz@perkinscoie.com	**First Class**