



UNCORKING SOLUTIONS



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Uncorking Value in Commercial Real Estate: Priority, Leases, and Valuation in a Shifting Market

Navigating Competing Claims and Strategic Options in Real Estate Bankruptcies

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Navigating Competing Claims and Strategic Options in Real Estate Bankruptcies



CBF 2026!



The Experts Behind Today's Discussion



Judge Julia Brand

Hon. Julia W. Brand
United States Bankruptcy Judge
U.S. Bankruptcy Court, Central
District of California



Jeannie Kim

Golden Goodrich LLP



Ivan Gold

Of Counsel, Allen Matkins



Sharon Z. Weiss

Partner, Bryan Cave
Leighton Paisner



Introduction and Scene-Setting ● ● ●

Opening Remarks & Market Context

Setting the Stage for Today's Discussion

Panelist Introductions

- Brief introductions from each panelist

Current Market Challenges

- Overview of current commercial real estate market conditions, including post-pandemic office vacancies, rising interest rates, increased bankruptcy filings, and constrained capital availability

Market Context

- Large-scale development distress and broader market shocks impacting California real estate



Priority Fights Between Secured Creditors

Creditor Priority

- Navigating priority disputes among multiple secured creditors in real estate bankruptcies

Senior vs. Junior Liens

- First vs. second lien dynamics in underwater properties

Mezzanine Structures

- Mezzanine debt and intercreditor agreements

Cash Collateral

- Cash collateral disputes when multiple parties claim security interests

Case Study

- Creditor priority disputes in high-profile cases

Judicial Perspective

- Judge Julia Brand's perspective on resolving multi-party secured creditor conflicts

Big vs. Small Commercial Real Estate Cases



A. Traditional Chapter 11 (Large Cases)

- *Oceanwide Plaza*: Partially completed \$2 billion mixed-use development with complex creditor disputes, bidding procedures, and court-supervised sales
- *The One (Bel-Air)*: 105,000 sq. ft. mansion with \$165 million debt, bankruptcy auction sale for \$126 million
- Complex stakeholder management and public interest

B. Subchapter V Cases (Small Business)

- *Debt limits*: Subchapter V restricted to debtors with approximately \$7.5 million in debt
- *SARE ineligibility*: Single asset real estate debtors face exclusions from Subchapter V
- *In re Coeptis Equity Fund LLC*: Rental properties in Stockton and Daly City, appellate review of Subchapter V trustee role
- *Typical Subchapter V real estate filings*: Small landlords, mixed-use operators, and individual real estate entrepreneurs

C. Strategic Considerations

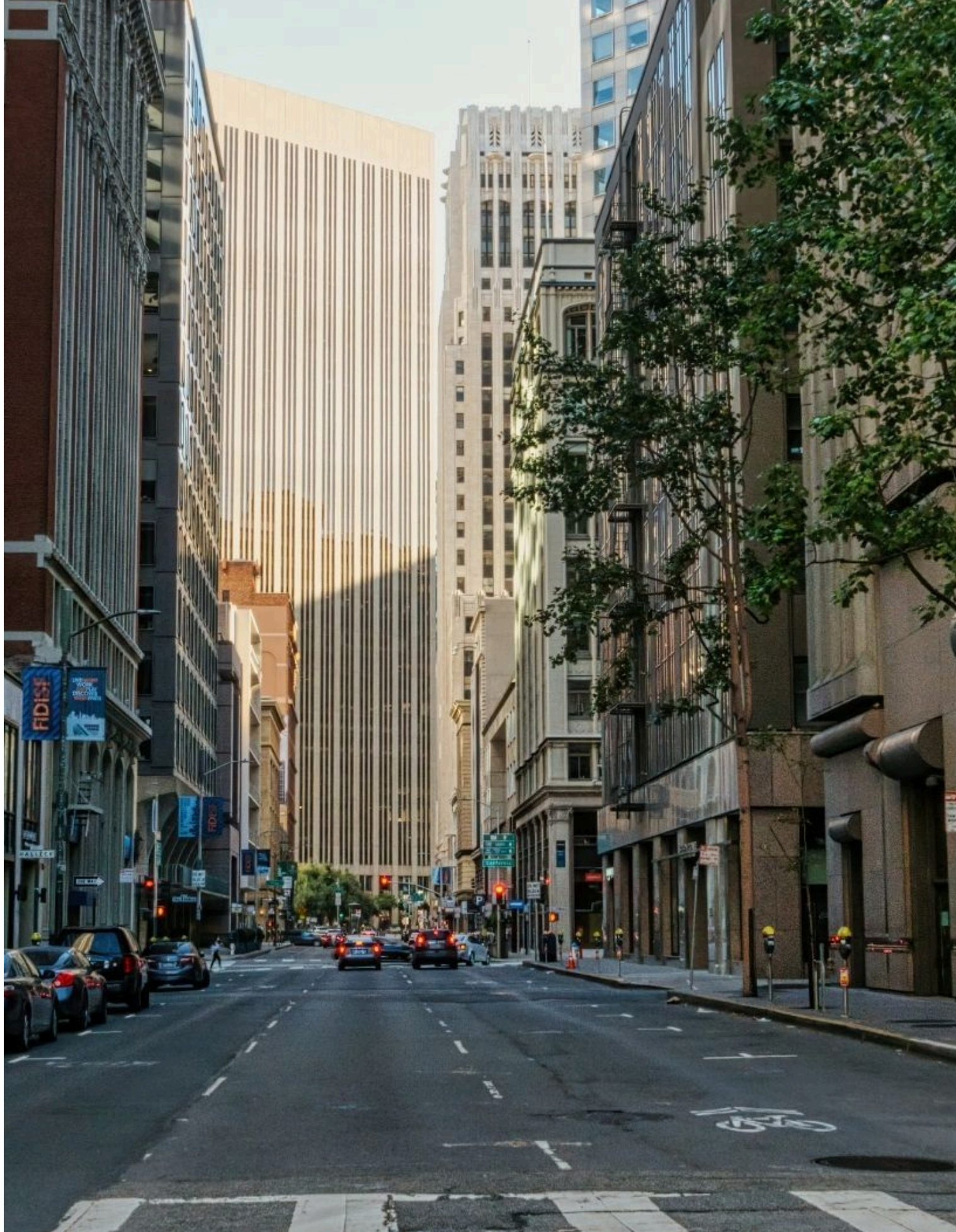
- *When does case size drive outcome?*
- *Different stakeholder expectations and court oversight levels*



Rejection and Assumption of Commercial Leases



- **Section 365 lease dynamics:** strategic considerations for debtors and landlords, timing of assumption or rejection, cure obligations, assignment of leases, and recent case law developments
- **Panel perspective:** contrasting viewpoints from debtor's counsel and landlord representation (Ivan)
- **Creative lease restructuring strategies** in distressed real estate developments



Adequate Protection and Cash Collateral Issues

- **Real estate as collateral:** declining property values, cash management orders, and lender-debtor tensions
- **Judge Julia Brand's perspective** on common adequate protection disputes
- **Practical approaches** to bridging valuation gaps between lenders and debtors



Plan Confirmation: Cramdown and Valuation Battles

- **Section 1129(b) cramdown provisions:** valuation disputes in volatile markets, the new value corollary, SARE considerations, and expert witness battles
- **Impact of current market volatility** on property valuations
- **Competing appraisal methodologies** and approaches to valuation disputes



Landlord Rights and Strategic Issues



- **Administrative expense claims:** post-petition rent, reclamation and setoff rights, utilities, and CAM charges
- **Ivan's insights** on protecting landlord interests and common pitfalls in tenant bankruptcies
- **Tenant bankruptcy ripple effects** on property operations and asset management



Practical Tips and Q & A

- *Quick tips from each panelist*
- *War stories and lessons learned*
 - *Audience questions*
 - *Closing remarks*