April 2026

Restructuring and Debt Capital Solutions Group Bulletin

Cumulus Media Commences Prepackaged Chapter 11 Cases with Significant Creditor Support

On March 4, 2026, Paul, Weiss client, Cumulus Media (the "Company"), a leading audio-first media company operating 394 radio stations, a syndication business, and a podcast network, filed voluntary petitions for chapter 11 relief in the Southern District of Texas. The Company's chapter 11 cases are being administered as prepackaged cases premised on a restructuring support agreement entered into by the Company and holders of approximately 72% of its funded debt obligations maturing in 2029, with the prepetition solicitation launching shortly before filing. At an uncontested first day hearing, Judge Alfredo R. Pérez granted all relief requested by the Company, with support among 2029 debtholders having increased to more than 82%. Following the hearing, the court scheduled a confirmation hearing for April 15, 2026, consistent with the milestones set forth in the Restructuring Support Agreement. The prepackaged chapter 11 plan will reduce the Company's indebtedness by more than $600 million.

Did You Know...

- Partners Brian Hermann and Kyle Kimpler spoke at the J.P. Morgan Global Leveraged Finance and Chicago Judicial Valuation conferences, respectively. Brian's panel explored the impact of fraud in debt capital markets, and Kyle's discussed general judicial practices.
- Partner Liz Osborne discussed the future of UK restructuring, women who inspired her and other topics in a *Debtwire* article highlighting outstanding women in restructuring.
- Twenty-three Paul, Weiss partners were named in *Lawdragon*'s "500 Leading Global Bankruptcy & Restructuring Lawyers" list, which recognizes the top advisors for companies navigating economic challenges.

Bankruptcy Court Upholds Venue Based on Recently Opened Bank Accounts

In *In re Multi-Color Corporation*, the U.S. Bankruptcy Court for the District of New Jersey held that a debtor's recently opened bank accounts could serve as its "principal assets" for bankruptcy venue purposes even when those accounts existed for only a small portion of the 180-day pre-petition lookback period. A cross-holder creditor group and the U.S. Trustee challenged venue, arguing that the debtor had only opened bank accounts in New Jersey 16 days before filing while holding patents and intercompany balances elsewhere for the entire 180-day period. The court adopted an "Asset-Based Approach," focusing on which assets the debtor possessed as of the petition date and where those assets were located for the longer portion of the venue period—concluding that the debtor's $1.05 million in New Jersey bank accounts, not its patents or intercompany ledger entries, constituted its principal assets. While acknowledging that the debtors' venue planning may not "sit right" with stakeholders, Judge Kaplan emphasized that Congress has intentionally drafted the venue statute broadly and has repeatedly declined to narrow it—leaving it to courts to apply the statute as written.

On March 18th, the cross-holder creditor group petitioned the Third Circuit to invalidate the venue ruling and vacate all orders in the Multi-Color cases, which was denied. While this decision supports establishing venue through opening bank accounts in a chosen jurisdiction, parties should carefully weigh the litigation risks that such strategies may invite.

Lions Gate Bondholders Win Dismissal of Claims Related to Liability Management Transaction

In *Lions Gate Entertainment Corp.*, the New York Supreme Court granted in part and denied in part defendants' motions to dismiss claims arising from Lions Gate's uptier transaction. In the transaction, Lions Gate separated its

Studio and Starz businesses and exchanged participating noteholders' existing bonds for new notes backed by the Studio assets, while excluded noteholders retained only claims backed by the Starz business. The court dismissed breach of contract claims against Paul, Weiss's clients—participating noteholders—in full, because the noteholders were not parties to the Indenture that was allegedly breached and because the court lacked personal jurisdiction over these noteholders. With respect to Paul, Weiss's clients only, the court denied leave to amend the complaint.

On other issues, the court held that the Indenture's no-action clause barred claims not involving sacred rights provisions but did not bar claims alleging breaches of sacred rights requiring individual noteholder consent. Of the sacred rights claims, only the claim under Section 9.02(e)(8)—which prohibits certain amendments to the "form of Notes Guarantee" or to "release the Guarantors constituting all or substantially all of the value of the Notes Guarantees"—survived. The court held that the "fundamental" and "structural" changes to the credit support—i.e., release of 230 of 243 guarantor entities—were sufficient to state a claim. The remaining sacred rights claims were dismissed because, unlike the Notes Guarantee claim, they required showing an actual, textual amendment to the specific Indenture provisions at issue, consistent with the First Department's reasoning in *Mitel*.

Please contact any of our Restructuring and Debt Capital Solutions Partners to discuss these or other topics in greater depth

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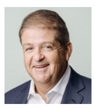

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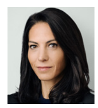

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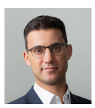

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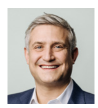

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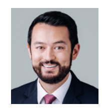

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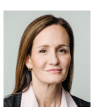

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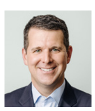

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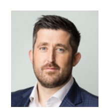

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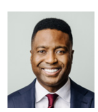

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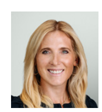

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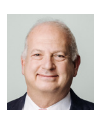

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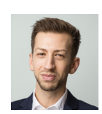

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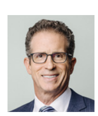

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