

LBR LIQUIDATING TRUST REPORT

Q4 2022

TRUST RECOVERIES, COSTS, EXPENSES, AND DISTRIBUTIONS

LIQUIDATING TRUST AGREEMENT, SECTIONS 4.08(ii), (iii), (iv), (v), (vi)

As of the week ending January 1, 2023, which is the approximate last date of the fourth quarter, the LBR Liquidating Trust has approximately \$2.2 million of total cash⁽¹⁾.

(\$ in thousands)	Summary Cashflow			
	Q2	Q3	Q4	Total
Time Period	06/13 - 06/26	06/27 - 10/02	10/03 - 01/01	06/13 - 01/01
Cash Inflows				
Class A Inflows	\$ -	\$ 192	\$ 121	\$ 313
Class B Inflows	-	-	-	-
Class C Inflows	-	3	538	541
Other Misc	-	-	-	-
Total Cash Inflows	\$ -	\$ 195	\$ 659	\$ 854
Cash Outflows				
Province - Financial Advisor to the Trust	-	94	22	116
Mintz Levin - Counsel to the Trust	-	202	78	280
USVI Counsel	-	13	5	18
Trustee Fees	-	17	-	17
Terminals SSA	-	-	-	-
Port Hamilton SSA	-	-	-	-
Other Opex	-	18	25	43
Total Cash Outflows	\$ -	\$ 343	\$ 129	\$ 473
Beginning Cash - Trust Ops	500	500	160	500
(+) Inflows	-	3	538	541
(-) Outflows	-	(343)	(129)	(473)
Ending Cash - Trust Funding	\$ 500	\$ 160	\$ 569	\$ 569
Class A Balance	-	-	192	-
(+) Inflows	-	192	121	313
(-) Distributions	-	-	-	-
Class A Ending Balance	\$ -	\$ 192	\$ 313	\$ 313

Commentary:

- The LBR Liquidating Trust has collected approximately \$313,000 in proceeds from NRI's sale of prepetition collateral.
- The Revolver Adequate Protection claim has not been exceeded.

Commentary:

- As of the end of the fourth quarter, approximately \$541,000 of Initial Class C Liquidating Trust Recoveries had been received; thus, the total amount of Initial Class C Liquidating Trust Recoveries had not been exceeded.

Note: On the Effective Date, the Trust was funded with \$500,000 to pay Trust expenses. In addition, pursuant to the terms of the Liquidating Trust Agreement, Initial Class C Recoveries of up to \$750,000 may be used to pay Trust expenses. No Class A Liquidating Trust Recoveries have been used to pay trust expenses.

(1) This amount includes balances held in various reserves, such as the Trust A Reserve, Admin & Priority Reserve, and the Trustee Success Fee Reserve.

STATUS OF CAUSES OF ACTION

LIQUIDATING TRUST AGREEMENT, SECTION 4.08(i)

Insurance Coverage Adversary Proceeding

- **On October 21, 2022, the Trust commenced an Adversary Proceeding (the “Coverage AP”) in the United States Bankruptcy Court for the Southern District of Texas against Brit Syndicate 2987, Chaucer Syndicate 1084, Euclid Environmental Underwriters, LLC dba Enviant, Hamilton Syndicate 3334, Liberty Syndicate 4472, and RenaissanceRe Syndicate 1458 (collectively, the “PLL Carriers”). A First Amended Complaint was filed in the Coverage AP on December 16, 2022.**
 - The Trust and its co-plaintiff, Limetree Bay Terminals, LLC dba Ocean Point Terminals (“LBT”) are jointly represented in the Coverage AP by Hunton Andrews Kurth LLP.

- **In the Coverage AP, the Trust and LBT seek, among other things:**
 - A declaratory judgment establishing that the PLL Carriers are obligated to defend and indemnify LBT and Limetree Bay Refining, LLC (“LBR”) under the pollution liability insurance policies issued to LBT/LBR by the PLL Carriers, against various pending lawsuits arising from alleged pollution incidents resulting in discharge of pollutants from the Limetree Refinery; and
 - Recovery of (x) amounts paid by LBR and LBT in excess of any retention under the policies, and (y) damages for breach of the policies and bad faith failure to provide defense and indemnity.

- **On December 30, 2022, the PLL Carriers filed *Defendants’ Motion (I) to Dismiss Adversary Proceeding Pursuant to Rules 12(b)(6) and 12(b)(7) of the Federal Rules of Civil Procedure; or (II) In the Alternative, to Require Plaintiffs to Join Necessary Parties Pursuant to Rule 19 of the Federal Rules of Civil Procedure and Defendants’ Motion to Withdraw the Reference.***
 - Plaintiffs opposed these motions on January 20, 2023.

- **On January 20, 2023, the Trust and LBT filed a motion for partial summary judgment that the “other insurance” clause in the PLL policies does not allow the PLL Carriers to avoid providing coverage to LBT and LBR now.**

- **On February 6, 2023, following the parties’ stipulation, the bankruptcy court entered its Report and Recommendations that the reference be withdrawn for trial only and that the district court assign all pre-trial matters (including the Plaintiffs’ pending motion for partial summary judgment) to the bankruptcy court.**

STATUS OF CAUSES OF ACTION - CONTINUED

LIQUIDATING TRUST AGREEMENT, SECTION 4.08(i)

Investigation of Causes of Action

- In connection with the Trust's ongoing investigation of potential claims and causes of action, including against former insiders, affiliates and other persons associated with the LBR Debtors, the Trust initiated formal discovery under Federal Rule of Bankruptcy Procedure 2004 as follows:
 - On October 21, 2022, the Trust issued subpoenas to Deloitte Tax LLP and EIG Management Co.
 - On November 10, 2022, the Trust issued subpoenas to Forgan McIntosh, Brian Lever, and ArcLight Capital Partners, LLC.
 - On November 16, 2022, the Trust issued a subpoena to Jeffrey Rinker.

- The Trust's investigation remains ongoing, and further discovery requests may be served on other third parties in the near future.
 - The Trust is represented in its investigation and discovery efforts by Reid Collins & Tsai LLP.

STATUS OF CAUSES OF ACTION - CONTINUED

(\$ in actual USD)

Net Preference Actions	
Pre-Suit Demands: 32	As of 12/31/22
Settled Pre-Suit	6
Closed Pre-Suit	2
Active Pre-Suit	6
Post Demand	-
Temporary Hold for Subsequent Review	-
Suits Filed: 18	As of 12/31/22
Settled Post-Suit	3
Dismissed Post-Suit	-
Satisfied Judgments	-
Closed Judgments	-
Active Judgments	-
Open & Active (includes in default)	15
Total Collected by ASK LLP (6/10/22-12/31/22)	\$ 873,114
(+) Value of admin waivers obtained	-
Total Collected with Waivers (6/10/22-12/31/22)	\$ 873,114
(-) ASK LLP contingency fees and other costs	(204,193)
(-) Trustee success fee	(43,656)
Net Proceeds Collected by ASK LLP (6/10/22-12/31/22)	\$ 625,265
(-) Net Proceeds Wired by ASK LLP after Reporting Period	(83,980)
Total Preference Recoveries Received by Trust (6/10/22-12/31/22)	\$ 541,285
Total Gross Amount Cases Open & Active	\$ 10,181,556