

LBR LIQUIDATING TRUST REPORT

Q1 2023

TRUST RECOVERIES, COSTS, EXPENSES, AND DISTRIBUTIONS

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

As of the week ending April 2, 2023, which is the approximate last date of the fourth quarter, the LBR Liquidating Trust has approximately \$1.9 million of total cash⁽¹⁾.

(\$ in thousands)	Notes	Summary Cashflow				
		2022 Q2	2022 Q3	2022 Q4	2023 Q1	Total
Time Period		06/13 - 06/26	06/27 - 10/02	10/03 - 01/01	01/02 - 04/02	06/13 - 04/02
Cash Inflows						
Class A Inflows		\$ -	\$ 192	\$ 121	\$ 107	\$ 419
Class B Inflows		-	-	-	-	-
Class C Inflows		-	3	538	84	625
Other Misc		-	-	-	-	-
Total Cash Inflows		\$ -	\$ 195	\$ 659	\$ 191	\$ 1,045
Cash Outflows						
Province - Financial Advisor to the Trust		-	94	22	64	180
Mintz Levin - Counsel to the Trust		-	202	78	343	622
USVI Counsel		-	13	5	46	63
Trustee Fees		-	17	-	11	28
Terminals SSA		-	-	-	-	-
Port Hamilton SSA		-	-	-	-	-
Other Opex		-	18	25	21	64
Total Cash Outflows		\$ -	\$ 343	\$ 129	\$ 485	\$ 958
Beginning Cash - Trust Ops		500	500	160	569	500
(+) Inflows		-	3	538	84	625
(-) Outflows		-	(343)	(129)	(485)	(958)
Ending Cash - Trust Funding		\$ 500	\$ 160	\$ 569	\$ 168	\$ 168
Class A Balance		-	-	192	313	-
(+) Inflows		-	192	121	107	419
(-) Distributions		-	-	-	-	-
Class A Ending Balance		\$ -	\$ 192	\$ 313	\$ 419	\$ 419

Commentary:

- The LBR Liquidating Trust has collected approximately \$419,000 in net proceeds from NRI's sale of prepetition collateral.
- The Revolver Adequate Protection claim has not been exceeded.

Commentary:

- As of the end of Q1 2023, approximately \$625,000 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 the Trust A Reserve, Admin & Priority Reserve, Class 4 Reserve, and other reserves.

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. As of the date of this report, the bankruptcy court’s Report and Recommendations has not been acted on by the district 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, on October 21, 2022, the Trust initiated formal discovery under Federal Rule of Bankruptcy Procedure 2004 and issued subpoenas to Deloitte Tax LLP and EIG Management Co. On November 10, 2022, the Trust initiated formal discovery under Federal Rule of Bankruptcy Procedure 2004 and issued subpoenas to Forgan McIntosh, Brian Lever, and ArcLight Capital Partners, LLC. On November 16, 2022, the Trust initiated formal discovery under Federal Rule of Bankruptcy Procedure 2004 and issued a subpoena to Jeffrey Rinker.

- The Trust has received substantial productions of documents from each party on which a Rule 2004 subpoena was served.

- 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

LIQUIDATING TRUST AGREEMENT, SECTION 4.08(i)

Litigation in the U.S. Virgin Islands

- On the Effective Date, several putative class actions were pending against LBR in the United States District Court for the District of the Virgin Islands. *Boynes et al. v. Limetree Bay Ventures, LLC et al.*, case no. 1:21-cv-00253-WAL-EAH; *Shirley et al. v. Limetree Bay Ventures, LLC et al.*, case no. 1:21-cv-00259-WAL-EAH; *Charles et al. v. Limetree Bay Refining, LLC et al.*, case no. 1:21-cv-00260; *Cotton et al. v. Limetree Bay Ventures, LLC et al.*, case no. 1:21-cv-00261-WAL-EAH. The plaintiffs in these cases allege the Limetree Bay Oil Refinery emitted pollutants while attempting to restart operations. Following the Effective Date, new lawsuits based on the same events or other alleged pollution events at the refinery were filed against LBR in St. Croix Superior Court, including *Liger v. Limetree Bay Ventures, LLC et al.*, case no. SX-2022-cv-301 and *Wooten v. Limetree Bay Terminals et al.*, case no. SX-2023-cv-052.
- These lawsuits were stayed until on or about September 26, 2022.¹ In January and February 2023, the plaintiffs in the Virgin Islands litigation attempted to obtain various forms of relief against LBR, the Trust, and the Liquidating Trustee, including:
 - Amending, or seeking leave to amend, their respective complaints to name the Trust and the Liquidating Trustee as additional defendants, or naming the Trust and/or Liquidating Trustee as defendants in the original complaints.
 - Seeking entry of the default of, and a default judgment against, LBR, the Trust, and the Liquidating Trustee.
 - Seeking a temporary restraining order and preliminary injunction requiring LBR, the Trust, and the Liquidating Trustee to use Trust assets to provide plaintiffs and the putative class members “with safe, clean, and potable water, and to immediately remediate, at a minimum, the roofs, pipes, and cisterns that are contaminated.”
- Plaintiffs’ actions violated the Confirmation Order, which enjoins suits against the Trust and the Liquidating Trustee and allows the plaintiffs in the Virgin Islands litigation to continue prosecuting claims against LBR *as a nominal defendant* solely “for the purpose of (a) establishing claims against the Debtors and their Estates, and (b) preserving rights with respect to insurance coverage for such Claims, if any, and for no other purpose.” [D.I. 1454 at ¶¶ 18 and 19(a)]
- To enforce the Confirmation Order, prevent the plaintiffs in the Virgin Islands litigation from continuing to take improper actions against LBR, the Trust, and the Trustee, and protect the Trust’s rights as assignee of the LBR Debtors’ insurance policies, the Trust:
 - Brought an emergency motion to enforce the Confirmation Order (the “Emergency Motion”) before the Bankruptcy Court.
 - Attended a status conference and filed a detailed status report in the Virgin Islands.
- On February 17, 2023, the Bankruptcy Court entered an order granting the Emergency Motion. This order (a) required the plaintiffs to (1) dismiss the Trust and the Liquidating Trustee from the Virgin Islands lawsuits with prejudice, (2) withdraw the motions seeking injunctive relief against LBR, and (b) prohibited the Virgin Islands plaintiffs from seeking or obtaining relief against LBR (as a nominal defendant or otherwise), the Trust, or the Liquidating Trustee without first obtaining authorization from the Bankruptcy Court.

¹ The Wooten and Liger actions were not subject to this stay, but were not filed and/or served until after the stay of the federal actions terminated.

STATUS OF CAUSES OF ACTION - CONTINUED

(\$ in actual USD)

Net Preference Actions	
Pre-Suit Demands: 32	As of 3/31/22
Settled Pre-Suit	7
Closed Pre-Suit	3
Active Pre-Suit	4
Post Demand	-
Temporary Hold for Subsequent Review	-
Suits Filed: 18	As of 3/31/22
Settled Post-Suit	4
Dismissed Post-Suit	-
Satisfied Judgments	-
Closed Judgments	-
Active Judgments	-
Open & Active (includes in default)	14
Total Collected by ASK LLP (6/10/22 - 3/31/23)	\$ 979,614
(+) Value of admin waivers obtained	-
Total Collected with Waivers (6/10/22 - 3/31/23)	\$ 979,614
(-) ASK LLP contingency fees and other costs	(244,563)
(-) Trustee success fee	(43,656)
Net Proceeds Collected by ASK LLP (6/10/22 - 3/31/23)	\$ 691,395
(-) Net Proceeds Wired by ASK LLP after Reporting Period	(66,130)
Total Preference Recoveries Received by Trust (6/10/22 - 3/31/23)	\$ 625,265
Total Gross Amount Cases Open & Active	\$ 9,715,261