

LBR LIQUIDATING TRUST REPORT

Q2 2024

TRUST RECOVERIES, COSTS, EXPENSES, AND DISTRIBUTIONS

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

As of June 30, 2024, the LBR Liquidating Trust has approximately \$14.6 million in total cash⁽¹⁾.

(\$ in thousands)	Summary Cash Flow ⁽²⁾				
	2022	2023	2024 Q1	2024 Q2	Total
Time Period	06/13 - 12/31	01/01 - 12/31	01/01 - 03/31	04/01 - 06/30	06/13 - 06/30
Cash Inflows					
Class A Inflows	\$ 337	\$ 816	\$ 83	\$ 64	\$ 1,300
Class B Inflows	-	-	-	-	-
Class C Inflows	578	787	12,874	-	14,239
Miscellaneous Inflows	-	4	-	-	4
Total Cash Inflows	\$ 915	\$ 1,607	\$ 12,957	\$ 64	\$ 15,543
Cash Outflows					
Province - Financial Advisor to the Trust	94	121	-	79	294
Mintz Levin - Counsel to the Trust	280	431	-	-	710
Bonds Ellis - Counsel to the Trust	-	-	-	-	-
USVI Counsel	18	54	-	-	71
Terminals SSA	-	-	-	-	-
Port Hamilton SSA	-	-	-	-	-
Other Opex	70	25	-	-	95
Litigation Trustee Monthly Fees	39	28	-	-	66
Total Cash Outflows	\$ 500	\$ 657	\$ -	\$ 79	\$ 1,236
Beginning Cash - Trust Ops	500	578	93	93	500
(+) Inflows	578	172	-	1,500	2,250
(-) Outflows	(500)	(657)	-	(79)	(1,236)
Ending Cash - Trust Funding	\$ 578	\$ 93	\$ 93	\$ 1,514	\$ 1,514
Class A Balance	-	337	584	667	-
(+) Inflows	337	816	83	64	1,300
(-) Distributions	-	(569)	-	-	(569)
Class A Ending Balance	\$ 337	\$ 584	\$ 667	\$ 731	\$ 731

Commentary:

- The LBR Liquidating Trust has collected approximately \$1.3 million in net proceeds from NRI's sale of prepetition collateral.

Commentary:

- In the second quarter of 2024, access to \$1.5 million of funding was received pursuant to an agreement with the term loan lenders.

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.

Note: The pre-Confirmation Professional Fee Reserve distributed \$750 thousand in the fourth quarter of 2022.

(1) This amount includes balances held in the Trust A Reserve, Admin & Priority Reserve, Class 4 Reserve, and certain other reserves.

(2) The cash report was adjusted to show gross inflows. Cash report excludes net inflows such as Trustee success fees and US Trustee fees.

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.**
- **On July 26, 2023, the district court entered an order withdrawing the reference for the sole purpose of trial, with the bankruptcy court to handle all pre-trial matters.**
- **On April 24, 2024, the Bankruptcy Court held a hearing on the motion for partial summary judgment and any supplemental motion to dismiss filed by the PLL Carriers. The motions were taken under advisement by 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, 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 received a substantial production of documents from each party on which a Rule 2004 subpoena was served.

- The Trust has entered into tolling agreements with certain parties following the investigation described above.

- The Trust's investigation remains ongoing, and further discovery requests may be served on other third parties in the near future.

- The Trust reached settlement with a third party. The Trust is continuing negotiations with the Debtors' business interruption insurer.

STATUS OF CAUSES OF ACTION - CONTINUED

(\$ in actual USD)

Net Preference Actions	
Pre-Suit Demands: 32	As of 6/30/24
Settled Pre-Suit	8
Closed Pre-Suit	5
Active Pre-Suit	-
Post Demand	-
Temporary Hold for Subsequent Review	-
Suits Filed: 19	As of 6/30/24
Settled Post-Suit	13
Dismissed Post-Suit	-
Satisfied Judgments	-
Closed Judgments	1
Active Judgments	-
Open & Active (includes in default)	5
Total Collected by ASK LLP (6/10/22 - 6/30/24)	\$ 1,912,114
(+) Value of admin waivers obtained	-
Total Collected with Waivers (6/10/22 - 6/30/24)	\$ 1,912,114
(-) ASK LLP contingency fees and other costs	(526,162)
(-) Trustee success fee	(891,800)
Net Proceeds Collected by ASK LLP (6/10/22 - 6/30/24)	\$ 494,152
(-) Net Proceeds Wired by ASK LLP after Reporting Period	-
Total Preference Recoveries Received by Trust (6/10/22 - 6/30/24)	\$ 494,152
Total Gross Amount Cases Open & Active	\$ 2,309,447