

LBR LIQUIDATING TRUST REPORT

Q2/Q3 2022

TRUST RECOVERIES, COSTS, EXPENSES, AND DISTRIBUTIONS

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

As of the week ending October 2, 2022, which is the approximate last date of the third quarter, the LBR Liquidating Trust has approximately \$1.2 million of total cash.⁽¹⁾

		Summary Cashflow		
(\$ in thousands)		Q2	Q3	Total
Time Period	Notes	06/13 - 06/26	06/27 - 10/02	06/13 - 10/02
Cash Inflows				
Trust A Inflows		\$ -	\$ 192	\$ 192
Trust B Inflows		-	-	-
Trust C Inflows		-	3	3
Other Misc		-	-	-
Total Cash Inflows		\$ -	\$ 195	\$ 195
Cash Outflows				
Province - Financial Advisor to the Trust		-	94	94
Mintz Levin - Counsel to the Trust		-	202	202
USVI Counsel		-	13	13
Trustee Fees		-	17	17
Terminals SSA		-	-	-
Port Hamilton SSA		-	-	-
Other Opex		-	18	18
Total Cash Outflows		\$ -	\$ 343	\$ 343
Beginning Cash - Trust Ops		500	500	500
(+) Inflows		-	3	3
(-) Outflows		-	(343)	(343)
Ending Cash - Trust Funding		\$ 500	\$ 160	\$ 160
Trust A Balance		-	-	-
(+) Inflows		-	192	192
(-) Distributions		-	-	-
Trust A Ending Balance		\$ -	\$ 192	\$ 192

Commentary:

- The LBR Liquidating Trust has collected approximately \$192,000 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 third quarter, approximately \$3,000 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, Water Program Reserve, Trustee Success Fee 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”).**

- **In the Coverage AP, the Trust and its co-plaintiff, Limetree Bay Terminals, LLC dba Ocean Point Terminals (“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.

- **The Coverage AP is in an early stage and none of the PLL Carriers have yet responded to the complaint filed by the Trust.**
 - The Trust and LBT are jointly represented in the Coverage AP by Hunton Andrews Kurth LLP.

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 issued additional subpoenas under Federal Rule of Bankruptcy Procedure 2004 to Forgan McIntosh, Brian Lever, and ArcLight Capital Partners, LLC.**

- **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

Net Preference Actions

(\$ in actual USD)

Pre-Suit Demands: 32 As of 09/30/2022

Settled Pre-Suit	3
Closed Pre-Suit	2
Active Pre-Suit	9
Combined Post Demand	-
Temporary Hod for Subsequent Review	-

Suits Filed: 18 As of 09/30/2022

Settled Post-Suit	-
Dismissed Post-Suit	-
Satisfied Judgements	-
Closed Judgements	-
Active Judgements	-
Open & Active (includes in default)	18

Total Collected to Date \$ **144,562**

(+) Value of admin waivers obtained -

Total Collected with Waivers \$ **144,562**

(-) ASK LLP contingency fees & other costs (37,339)

Net Proceeds \$ **107,223**

Total Gross Amount Cases Open & Active \$ **12,130,314**

Commentary:

- Proceeds were collected by ASK LLP in September 2022. Aside from \$3,000 wired to the LBR Liquidating Trust in September 2022, these proceeds were wired to the trust in October 2022 after the end of the quarter. The proceeds wired in October 2022 are not reflected in the recoveries described above in this report⁽¹⁾.
- The LBR Liquidating Trust has collected ~\$107,000 of proceeds from preference claims, net of ASK LLP's contingency fee and costs of litigation.

(1) As of the end of October 2022, the LBR Liquidating Trust has recovered a total of \$513,600 in proceeds of preference claims. ASK LLP will retain ~\$115,000 of the gross proceeds for contingency fees and other costs, and the LBR Liquidating Trust will receive ~\$398,000.