

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:)	Chapter 11
)	
HI-CRUSH INC., <i>et al.</i> , ¹)	Case No. 20-33495 (DRJ)
)	
Debtors.)	Jointly Administered
)	

GLOBAL NOTES, METHODOLOGY, AND SPECIFIC
DISCLOSURES REGARDING THE DEBTORS' SCHEDULES OF
ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS

Introduction

Hi-Crush Inc. ("**Hi-Crush**") and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"), with the assistance of their advisors, have filed their respective Schedules of Assets and Liabilities (the "**Schedules**") and Statements of Financial Affairs (the "**Statements**," and together with the Schedules, the "**Schedules and Statements**") with the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Court**"), under section 521 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 1007-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "**Bankruptcy Local Rules**").

These *Global Notes, Methodology, and Specific Disclosures Regarding the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs* (the "**Global Notes**") pertain to, are incorporated by reference in, and comprise an integral part of all of the Debtors' Schedules and Statements. The Global Notes should be referred to, considered, and reviewed in connection with any review of the Schedules and Statements. In the event that the Schedules and Statements conflict with the Global Notes, the Global Notes shall control.

The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States ("**GAAP**"), nor are they intended to be fully reconciled with the financial statements of each Debtor. Additionally,

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Hi-Crush Inc. (0530), OnCore Processing LLC (9403), Hi-Crush Augusta LLC (0668), Hi-Crush Whitehall LLC (5562), PDQ Properties LLC (9169), Hi-Crush Wyeville Operating LLC (5797), D & I Silica, LLC (9957), Hi-Crush Blair LLC (7094), Hi-Crush LMS LLC, Hi-Crush Investments Inc. (6547), Hi-Crush Permian Sand LLC, Hi-Crush Proppants LLC (0770), Hi-Crush PODS LLC, Hi-Crush Canada Inc. (9195), Hi-Crush Holdings LLC, Hi-Crush Services LLC (6206), BulkTracer Holdings LLC (4085), Pronghorn Logistics Holdings, LLC (5223), FB Industries USA Inc. (8208), PropDispatch LLC, Pronghorn Logistics, LLC (4547), and FB Logistics, LLC (8641). The Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.



the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment and reflects the Debtors' reasonable efforts to report the assets and liabilities of each Debtor on an unconsolidated basis.

The Debtors and their agents, attorneys, and advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by any acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While reasonable efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys, and advisors expressly do not undertake any obligation to update, modify, revise, or re-categorize the information provided herein, or to notify any third party should the information be updated, modified, revised, or re-categorized. In no event shall the Debtors or their agents, attorneys, and advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business, or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys, and advisors are advised of the possibility of such damages.

Mr. J. Philip McCormick, Jr, Chief Financial Officer of the Debtors, has signed each of the Schedules and Statements. Mr. McCormick is an authorized signatory for each of the Debtors. In reviewing and signing the Schedules and Statements, Mr. McCormick necessarily has relied upon the efforts, statements, and representations of various personnel employed by the Debtors and their advisors. Mr. McCormick has not (and could not have) personally verified the accuracy of each statement and representation contained in the Schedules and Statements, including statements and representations concerning amounts owed to creditors, classification of such amounts, and creditor addresses.

Global Notes and Overview of Methodology

1. **Reservation of Rights.** Reasonable efforts have been made to prepare and file complete and accurate Schedules and Statements, but inadvertent errors or omissions may exist. The Debtors reserve all rights to: (i) amend or supplement the Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including the right to amend the Schedules and Statements with respect to the description, designation, characterization, classification, or Debtor against which any claim ("**Claim**")² is asserted; (ii) dispute or otherwise assert offsets or defenses to any Claim reflected in the Schedules and Statements as to amount, liability, priority, status, or classification; (iii) subsequently designate any Claim as "disputed," "contingent," or "unliquidated;" or (iv) object to the extent, validity, enforceability, priority, or avoidability of any Claim (regardless of whether of such Claim is designated in the Schedules and Statements as "disputed," "contingent," or "unliquidated"). Any failure to designate a Claim in the Schedules and Statements as

² For the purposes of these Global Notes, the term Claim shall have the meaning as defined under section 101(5) of the Bankruptcy Code.

“disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtors that such Claim or amount is not “disputed,” “contingent,” or “unliquidated.”

Listing a Claim does not constitute an admission of liability by the Debtor against which the Claim is listed or against any of the Debtors. Furthermore, nothing contained in the Schedules and Statements shall constitute a waiver of rights with respect to the Debtors’ chapter 11 cases, including issues involving Claims, substantive consolidation, defenses, equitable subordination, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph. Notwithstanding the foregoing, the Debtors shall not be required to update the Schedules and Statements.

2. **Description of Cases and “As Of” Information Date.** On July 12, 2020 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

On July 13, 2020, the Bankruptcy Court entered the *Order Directing Joint Administration of Chapter 11 Cases* [Docket No. 6]. Notwithstanding the joint administration of the Debtors’ cases for procedural purposes, discrete Schedules and Statements have been filed for each Debtor. The information provided in the Schedules and Statements, except as otherwise noted, is reported as of the close of business on the Petition Date.

3. **Net Book Value of Assets.** Unless otherwise indicated, the Debtors’ Schedules and Statements reflect net book values as of June 30, 2020. The book values of certain assets may materially differ from their fair market values and/or the Debtors’ enterprise valuation that has been prepared in connection with the disclosure statement to the Debtors’ chapter 11 plan of reorganization. For the avoidance of doubt, nothing contained in the Schedules and Statements is indicative of the Debtors’ enterprise value.

Book values of assets prepared in accordance with GAAP generally do not reflect the current performance of the assets or the impact of the industry environment and may differ materially from the actual value and/or performance of the underlying assets.

4. **Recharacterization.** Notwithstanding the Debtors’ reasonable efforts to properly characterize, classify, categorize, or designate certain Claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and Statements, the Debtors may nevertheless have improperly characterized, classified, categorized, designated, or omitted certain items due to the complexity and size of the Debtors’ businesses. Accordingly, the Debtors reserve all of their rights to recharacterize, reclassify, recategorize, redesignate, add, or delete items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available,

including whether contracts or leases listed herein were deemed executory or unexpired as of the Petition Date and remain executory and unexpired postpetition.

5. **Liabilities.** The Debtors have sought to allocate liabilities between the prepetition and postpetition periods based on the information and research conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and postpetition periods may change. Accordingly, the Debtors reserve all of their rights to amend, supplement, or otherwise modify the Schedules and Statements as is necessary or appropriate.
6. **Excluded Assets and Liabilities.** The Debtors have excluded certain categories of assets, tax accruals, and liabilities from the Schedules and Statements, including employee benefit accruals and, in some instances, accrued accounts payable. In addition, certain immaterial assets and liabilities may have been excluded.

The Bankruptcy Court has authorized (but not directed) the Debtors to pay, in their discretion, certain outstanding Claims on a postpetition basis. As discussed below, prepetition liabilities that the Debtors have paid postpetition pursuant to relief granted by the Bankruptcy Court may not be listed in the Schedules and Statements.

7. **Insiders.** For purposes of the Schedules and Statements, the Debtors have included information with respect to the individuals who the Debtors believe would be included in the definition of “insider” pursuant to section 101(31) of the Bankruptcy Code, including: (a) directors; (b) officers; (c) persons in control of the Debtors; (d) relatives of the Debtors’ directors, officers, or persons in control of the Debtors; and (e) debtor/non-debtor affiliates of the foregoing. Persons listed as “insiders” have been included for informational purposes only and by including them in the Schedules, shall not constitute an admission that those persons are insiders for purposes of section 101(31) of the Bankruptcy Code. Moreover, the Debtors do not take any position with respect to: (a) any insider’s influence over the control of the Debtors; (b) the management responsibilities or functions of any such insider; (c) the decision making or corporate authority of any such insider; or (d) whether the Debtors or any such insider could successfully argue that he or she is not an “insider” under applicable law or with respect to any theories of liability or for any other purpose.
8. **Personal Identification Information.** Pursuant to the *Order (I) Authorizing the Debtors to File a Consolidated Matrix and List of the 30 Largest Unsecured Creditors, (II) Waiving the Requirement to File a List of Equity Security Holders, (III) Authorizing the Debtors to Redact Certain Personal Identification Information, and (IV) Approving the Form and Manner of Notifying Creditors of the Commencement of these Chapter 11 Cases and Other Information* [Docket No. 86], the Debtors have redacted certain personal identification information contained in the Schedules and Statements. Payments made to individuals, including insiders as discussed above, and certain other instances where personally identifiable information could otherwise be disclosed, have been reported without disclosing personally identifiable information. In addition, payments to or for the benefit

of insiders have been disclosed in aggregate amounts, without separately identifying amounts paid to a given insider or otherwise disclosing personally identifiable information.

9. **Property Rights – Generally.** Exclusion of certain property from the Schedules and Statements shall not be construed as an admission that such property rights have been abandoned, terminated, assigned, expired by their terms or otherwise transferred pursuant to a sale, acquisition or other transaction. Conversely, inclusion of certain property in the Schedules and Statements shall not be construed as an admission that such property rights have not been abandoned, terminated, assigned, expired by their terms or otherwise transferred pursuant to a sale, acquisition or other transaction.
10. **Intellectual Property Rights.** Exclusion of certain intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, have not been terminated or otherwise expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction.
11. **Executory Contracts.** Although the Debtors made reasonable efforts to attribute an executory contract to its rightful Debtor, in certain instances, the Debtors may have inadvertently failed to do so due to the complexity and size of the Debtors’ businesses. Accordingly, the Debtors reserve all of their rights with respect to the named parties of any and all executory contracts, including the right to amend Schedule G.

The Debtors have not set forth executory contracts or unexpired leases as assets in the Schedules and Statements. The Debtors’ executory contracts and unexpired leases have been set forth in Schedule G.
12. **Classifications.** Listing (a) a Claim on Schedule D as “secured,” (b) a Claim on Schedule E/F as “priority,” (c) a Claim on Schedule E/F as “unsecured,” or (d) a contract on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant or a waiver of the Debtors’ rights to recharacterize or reclassify such Claims or contracts or to setoff of such Claims.
13. **Claims Description.** Schedules D and E/F permit each of the Debtors to designate a Claim as “disputed,” “contingent,” and/or “unliquidated.” Any failure to designate a Claim on a given Debtor’s Schedules and Statements as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by that Debtor that such amount is not “disputed,” “contingent,” or “unliquidated,” or that such Claim is not subject to objection. The Debtors reserve all of their rights to dispute, or assert offsets or defenses to, any Claim reflected on their respective Schedules and Statements on any grounds, including liability or classification. Additionally, the Debtors expressly reserve all of their rights to subsequently designate such Claims as “disputed,” “contingent,” or “unliquidated.” Moreover, listing a Claim does not constitute an admission of liability by the Debtors.

14. **Causes of Action.** Despite their reasonable efforts to identify all known assets, the Debtors may not have listed all of their causes of action or potential causes of action against third parties as assets in the Schedules and Statements, including causes of action that are required to be kept confidential and causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. The Debtors reserve all of their rights with respect to any cause of action (including avoidance actions), controversy, right of setoff, cross claim, counterclaim, or recoupment, and any claim on contracts or for breaches of duties imposed by law or in equity, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law (collectively, “**Causes of Action**”) they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any claims or Causes of Action or in any way prejudice or impair the assertion of such claims or Causes of Action.
15. **Summary of Significant Reporting Policies.** The following is a summary of significant reporting policies:
- **Undetermined Amounts.** The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.
 - **Totals.** All totals that are included in the Schedules and Statements represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total.
 - **Paid Claims.** The Debtors were authorized (but not directed) to pay certain outstanding prepetition Claims pursuant to various orders entered by the Bankruptcy Court. To the extent the Debtors pay any of the Claims listed in the Schedules and Statements pursuant to any orders entered by the Bankruptcy Court, the Debtors reserve all of their rights to amend or supplement the Schedules and Statements or take other action as is necessary or appropriate to avoid overpayment of or duplicate payments for any such liabilities.
 - **Unknown Debtors.** In certain instances, contracts do not specify a particular Debtor or include an incorrect legal entity as the contractual counterparty. In addition, threatened litigation, on occasion, does not indicate the potentially liable Debtor(s). In these instances, responses have been listed in the appropriate Statement or Schedule at Hi-Crush Inc. out of an abundance of caution.
 - **Liens.** Property and equipment listed in the Schedules and Statements are presented without consideration of any liens that may attach (or have attached) to such property and equipment.

- Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services, or taxes are listed as the amounts entered on the Debtors' books and records and may either (a) not reflect credits, allowances, or other adjustments due from such creditors to the Debtors or (b) be net of accrued credits, allowances, or other adjustments that are actually owed by a creditor to the Debtors on a postpetition basis on account of such credits, allowances, or other adjustments earned from prepetition payments and critical vendor payments, if applicable. The Debtors reserve all of their rights with regard to such credits, allowances, or other adjustments, including, but not limited to, the right to modify the Schedules, assert claims objections and/or setoffs with respect to the same, or apply such allowances in the ordinary course of business on a postpetition basis.
- Guarantees and Other Secondary Liability Claims. The Debtors have exercised reasonable efforts to locate and identify any guarantees in their executory contracts, unexpired leases, secured financings, and other such agreements. However, there may be guarantees embedded in the Debtors' contractual agreements or otherwise in the Debtors' books and records that the Debtors have inadvertently omitted from their Schedules and Statements. The Debtors may identify guarantees as they continue to review their books and records and contractual agreements. The Debtors reserve their rights, but are not required, to amend the Schedules and Statements if any guarantees are identified.

16. Currency. All amounts are reflected in U.S. dollars.

17. Intercompany Payables and Receivables. Intercompany payables and receivables between the Debtors as of the Petition Date are set forth on Schedule E/F or Schedule A/B, as applicable.

As described more fully in the *Debtors' Emergency Motion for Entry of Order (I) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Checks, and Business Forms, (II) Authorizing Continuation of Existing Deposit and Investment Practices, (III) Approving the Continuation of Intercompany Transactions, and (IV) Granting administrative Expense Status to Certain Postpetition Intercompany Claims* [Docket No. 10] (the "Cash Management Motion"), the Debtors engage in a range of intercompany transactions in the ordinary course of business. Pursuant to the order granting the relief requested in the Cash Management Motion [Docket No. 89] (the "Cash Management Order"), the Bankruptcy Court has granted the Debtors authority to continue the intercompany transactions in the ordinary course of business subject to certain restrictions.

The listing by the Debtors of any account between a Debtor and another Debtor or between a Debtor and a non-Debtor affiliate is a statement of what appears in a particular Debtor's books and records and does not reflect any admission or conclusion of the Debtors regarding the allowance, classification, characterization, validity, or priority of such account. The Debtors take no position in these Schedules and Statements as to whether such accounts would be allowed as a Claim, an Interest, or not allowed at all. The Debtors reserve all rights with respect to such accounts.

In some instances, a Debtor may owe an Intercompany payable to another Debtor or non-Debtor affiliate and hold an intercompany receivable from that same Debtor or non-Debtor affiliate. The amounts shown for each Intercompany payable and receivable reflect the current net balance for each Debtor or non- Debtor affiliate.

18. **Setoffs.** The Debtors periodically incur certain setoffs in the ordinary course of business. Setoffs in the ordinary course can result from various items including, but not limited to, intercompany transactions, pricing discrepancies, returns, warranties, credits, refunds, negotiations, and/or disputes between the Debtors and their vendors or customers, and other disputes between the Debtors and their customers and/or suppliers. These normal setoffs are consistent with the ordinary course of business in the Debtors' industry and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list such ordinary course setoffs. Therefore, although such setoffs and other similar rights may have been accounted for when scheduling certain amounts, these ordinary course setoffs are not independently accounted for, and as such, are or may be excluded from the Debtors' Schedules and Statements.
19. **Global Notes Control.** In the event that the Schedules and Statements differ from these Global Notes, the Global Notes shall control.

Specific Disclosures with Respect to the Debtors' Schedules

Schedules Summary. Except as otherwise noted, the asset and liability information provided herein represents the Debtors' book value of assets as June 30, 2020 and liabilities as of the Petition Date.

For financial reporting purposes, the Debtors and certain of their non-Debtor affiliates ordinarily prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules reflect the assets and liabilities of each Debtor on a nonconsolidated basis. Accordingly, the totals listed in the Schedules will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

The Schedules do not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of each Debtor. Certain write-downs, impairments, and other accounting adjustments may not be reflected in the Schedules. Additionally, the Schedules contain unaudited information that is subject to further review and potential adjustment and reflect the Debtors' reasonable best efforts to report the assets and liabilities of each Debtor on an unconsolidated basis. Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent as of the Petition Date or at any time before the Petition Date. Likewise, to the extent a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent as of the Petition Date or at any time before the Petition Date.

Schedule A/B.3. Amounts listed reflect the bank balance as of July 12, 2020, and not the net book value. Accounts with a balance of \$0 at the time of the petition are not included in these Schedules. For a complete description of the Debtors' cash management system see the *Debtors' Emergency*

Motion for Entry of Order (I) Authorizing Continued Use of Existing Cash Management System, Including Maintenance of Existing Bank Accounts, Checks, and Business Forms, (II) Authorizing Continuation of Existing Deposit and Investment Practices, (III) Approving the Continuation of Intercompany Transactions, and (IV) Granting administrative Expense Status to Certain Postpetition Intercompany Claims [Docket No. 10].

Schedule A/B, Parts 7, 8 and 9. Dollar amounts are presented net of accumulated depreciation and other adjustments pursuant the Debtors books.

Schedule A/B.15. Equity interests in subsidiaries and affiliates primarily arise from common stock ownership or member or partnership interests. For purposes of these Schedules, the Debtors have listed an undetermined value for the equity interests of all subsidiaries and affiliates. Nothing in these Schedules is an admission by or conclusion of the Debtors regarding the value of such subsidiary and affiliate equity interests, which, under certain fair market or enterprise valuation analyses, may have value. The book values of certain assets may materially differ from their fair market values and/or the Debtors' enterprise valuation to be prepared in connection with the Disclosure Statement.

Book values of assets prepared in accordance with GAAP generally do not reflect the current performance of the assets or the impact of the industry environment and may differ materially from the actual value and/or performance of the underlying assets. As such, the value listed in these Schedules and Statements cannot be, and was not, used to determine the Debtors' enterprise valuation.

Schedule A/B.72. As of the Petition Date, the Debtors estimate that they have approximately \$160 million of federal net operating loss carryforwards ("NOLs") and an indeterminate amount of net unrealized built-in loss ("NUBIL"). For a further description of Debtor NOLs and NUBILs at the petition date see the *Debtors' Emergency Motion for Entry of Interim and Final Orders Establishing Notification Procedure and Approving Restrictions on Certain Transfers of Stock of the Debtors* [Docket No. 19].

Schedule A/B.74. Despite exercising their reasonable efforts to identify all known assets, the Debtors may not have listed all of their causes of action or potential causes of action against third parties as assets in their Schedules including, but not limited to, avoidance actions arising under chapter 5 of the Bankruptcy Code and actions under other relevant non-bankruptcy laws to recover assets. Unless otherwise noted on specific responses, items reported on Schedule A/B are reported from the Debtors' book and records as of the Petition Date. The Debtors reserve all of their rights with respect to any claims and causes of action they may have. Neither these Global Notes nor the Schedules shall be deemed a waiver of any such claims or causes of action or to prejudice or impair the assertion thereof in any way.

Schedule A/B.77. The listing by the Debtors of any account between a Debtor and another Debtor or between a Debtor and a non-Debtor subsidiary or affiliate is a statement of what appears in a particular Debtor's books and records and does not reflect any admission or conclusion of the Debtors regarding the allowance, classification, characterization, validity, or priority of such account. The Debtors take no position in these Schedules and Statements as to whether such

accounts would be allowed as a Claim, an Interest, or not allowed at all. The Debtors and all parties in interest reserve all rights with respect to such accounts.

Schedule D. The Debtors have not included parties that may believe their Claims are secured through setoff rights, inchoate statutory lien rights, or other lien rights created by the laws of the various jurisdictions in which the Debtors operate. Various Debtors are borrowers, and certain of the other Debtors are guarantors, under prepetition secured funded debt obligations. Although there are numerous beneficial holders of such debt, only the administrative agents have been listed for purposes of Schedule D, where applicable. For the avoidance of doubt, the funded debt amounts listed in Schedule D include obligations where the beneficial holder is another Debtor. The amounts outstanding under the Debtors' prepetition secured debt reflect approximate principal and interest amounts as of the Petition Date.

Descriptions provided on Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

The Debtors reserve their rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtors have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor's claim.

Schedule E/F. The listing by the Debtors of any account between a Debtor and another Debtor or between a Debtor and a non-Debtor subsidiary or affiliate is a statement of what appears in a particular Debtor's books and records and does not reflect any admission or conclusion of the Debtors regarding the allowance, classification, characterization, validity, or priority of such account. The Debtors take no position in these Schedules and Statements as to whether such accounts would be allowed as a Claim, an Interest, or not allowed at all. The Debtors and all parties in interest reserve all rights with respect to such accounts. Various Debtors are borrowers, and certain of the other Debtors are guarantors, under prepetition funded obligations. Although there are numerous beneficial holders of such debt, only the administrative agents and indenture trustees, as applicable, have been listed for purposes of Schedule E/F, where applicable. For the avoidance of doubt, the funded debt amounts listed in Schedule E/F include obligations where the beneficial holder is another Debtor.

The claims of individual creditors for, among other things, goods, products, services, customer refunds, or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances, or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances, and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.

Under the *Order Authorizing Payment of Prepetition Taxes and Fees* [Docket No. 93] (the "Tax Order"), the Bankruptcy Court granted the Debtors authority to pay the prepetition Claims of

regulatory authorities on account of taxes and fees. The Debtors have not listed on Schedule E/F any tax or governmental fee obligations that the Debtors have paid postpetition pursuant to relief granted by court order entered by the Bankruptcy Court.

Under the *Order Authorizing Debtors to (I) Pay Their Prepetition Insurance Obligations, (II) Pay Their Prepetition Bonding Obligations, (III) Maintain Their Postpetition Insurance Coverage, (IV) Maintain Their Bonding Program and (V) Maintain Postpetition Financing of Insurance Premiums* [Docket No. 90] (the “Insurance Order”), the Bankruptcy Court granted the Debtors authority to pay the prepetition Claims of insurers on account of insurance premiums, claims and other related obligations. The amounts accrued and payable on account of such Claims may not be reflected on the Schedule E/F.

Under the *Order (I) Authorizing (A) Payment of Prepetition Workforce Obligations and (B) Continuation of Workforce Programs on a Postpetition Basis, (II) Authorizing Payment of Payroll Taxes, (III) Confirming the Debtors' Authority to Transmit Payroll Deductions, (IV) Authorizing Payment of Prepetition Claims Owing to Administrators, and (V) Directing Banks to Honor Prepetition Checks and Fund Transfers for Authorized Payments* [Docket No. 96] (the “Wages Order”), the Bankruptcy Court granted the Debtors authority to pay or honor certain prepetition obligations for employee wages, salaries, and other compensation, reimbursable employee expenses, and employee medical and similar benefits. The Debtors have not listed on Schedule E/F any wage or wage-related obligations that the Debtors have paid postpetition pursuant to relief granted by court order entered by the Bankruptcy Court.

Under the *Order (I) Authorizing the Debtors to Continue Their Customer Programs and (II) Granting Related Relief* [Docket No. 95], the Bankruptcy Court granted the Debtors the authority to honor certain customer obligations. The Debtors have not listed on Schedule E/F any customer or customer-related obligations that the Debtors will honor postpetition pursuant to relief granted by court order entered by the Bankruptcy Court.

Under the *Order (I) Authorizing Payment of (A) Prepetition Claims of the Critical Vendors and (B) 503(b)(9) Claims; (II) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers; and (III) Granting Related Relief* [Docket No. 92], the Bankruptcy Court granted the Debtors the authority to pay or honor obligations with respect to certain critical vendors and section 503(b)(9) claimants. The Debtors have not listed on Schedule E/F any critical vendors and section 503(b)(9) claimants’ obligations that the Debtors have paid postpetition pursuant to relief granted by court order entered by the Bankruptcy Court.

Under the *Order (I) Authorizing Debtors to Pay Certain Prepetition Claims of Shippers, Lien Claimants, and Royalty Interest Owners, (II) Confirming Administrative Expense Priority of Undisputed and Outstanding Prepetition Orders, and (III) Granting Related Relief* [Docket No. 91], the Bankruptcy Court granted the Debtors the authority to pay or honor obligations with respect to shippers, lien and royalty interest claimants. The Debtors have not listed on Schedule E/F any shippers, lien and royalty interest claimants’ obligations that the Debtors have paid postpetition pursuant to relief granted by court order entered by the Bankruptcy Court.

Schedule E/F does not include certain deferred charges, deferred liabilities, accruals, or general reserves. Such amounts are, however, reflected on the Debtors’ books and records as required in

accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific Claims as of the Petition Date. The Debtors have made every effort to include as contingent, unliquidated, or disputed the Claim of any vendor not included on the Debtors' open accounts payable that is associated with an account that has an accrual.

Schedule G. Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, inadvertent errors, omissions or over-inclusion may have occurred in preparing Schedule G. Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G. Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission. The Debtors reserve their rights to, but undertake no obligations to, amend Schedule G as additional information becomes available.

Certain of the instruments reflected on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, and other miscellaneous rights. Such rights, powers, duties, and obligations are not separately set forth on Schedule G. The Debtors hereby expressly reserve the right to assert that any instrument listed on Schedule G is an executory contract within the meaning of section 365 of the Bankruptcy Code. The Debtors reserve all of their rights, claims, and causes of action with respect to claims associated with any contracts and agreements listed on Schedule G, including their right to dispute or challenge the characterization or the structure of any transaction, document, or instrument (including any intercompany agreement) related to a creditor's claim.

Certain confidentiality, hold harmless, and non-compete agreements may not be listed on Schedule G. In addition, agreements and underlying documentation related to the Debtors' prepetition debt is not included in Schedule G. The Debtors reserve all of their rights with respect to such agreements.

Certain of the contracts and agreements listed on Schedule G may consist of several parts, including purchase orders, amendments, restatements, waivers, letters, and other documents that may not be listed on Schedule G or that may be listed as a single entry.

The contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters, memoranda, and other documents, instruments, and agreements that may not be listed therein despite the Debtors' use of reasonable efforts to identify such documents. Further, unless otherwise specified on Schedule G, each executory contract or unexpired lease listed thereon shall include all exhibits, schedules, riders, modifications, declarations, amendments, supplements, attachments, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without respect to whether such agreement, instrument, or other document is listed thereon. In some cases, the same supplier or provider appears multiple

times on Schedule G. This multiple listing is intended to reflect distinct agreements between the applicable Debtor and such supplier or provider.

Schedule H. Although there are multiple beneficial holders of the Debtors' prepetition debt, only the administrative agents and indenture trustees have been listed on Schedule H.

Specific Disclosures with Respect to the Debtors' Statements

Statement 3. In Statement 3, disbursements made on account of multiple invoices may be reflected as a single payment.

All disbursements listed in Statement 3 are made through the Debtors' cash management system, more fully described in the Cash Management Motion. Dates listed in Statement 3 reflect the dates upon which the Debtor transferred funds to the relevant payee or disbursing agent except for those made to (a) insiders or other Debtors (which transfers appear in response to Question 4) and (b) bankruptcy professionals (which transfers appear in response to Question 11).

Statement 4. Payments made to individual insiders have been reported in aggregate amounts by basis of distribution. Such payments reflect expense reimbursements paid directly to the individual insider, and do not include business expenses incurred by the individual insider when paid directly by the company to a third party, including under corporate card programs. Benefit amounts attributed to insider are based on employer costs on a per employee basis and do not necessarily reflect the employer cost incurred for each employee.

Transfers of cash or assets are listed on a transfer basis between Debtors or between a Debtor and a non-Debtor affiliate. Intercompany payable and receivable balances as of the Petition Date can be found on Schedule E/F and Schedule AB.

Statement 10. Material losses covered by the Debtors' insurance policies are reported in Statement 10. Other de minimis losses may not be listed.

Statement 13. In the ordinary course of business, the Debtors may obtain customer employee's email addresses and phone numbers.

Statement 26d. In the ordinary course of business, the Debtors may be required to produce financial statements that may not be part of a public filing to establish relationships with customers and vendors. The debtors do not maintain complete lists or other records tracking such disclosures. Therefore, the Debtors may not have provided full lists of these parties in their response to SOFA 26.

Statement 28. Ownership interests listed in Statement 28 reflect direct interest held.

[Remainder of page intentionally left blank]

Fill in this information to identify the case:

Debtor name OnCore Processing LLC
 United States Bankruptcy Court for the: Southern District of Texas
 Case number (if known): 20-33496 (DRJ)

Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy 04/19

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. Gross revenue from business

None

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year		Sources of revenue Check all that apply	Gross revenue (before deductions and exclusions)
From the beginning of the fiscal year to filing date:	From _____ to Filing date MM / DD / YYYY	<input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ _____
For prior year:	From _____ to _____ MM / DD / YYYY	<input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ _____
For the year before that:	From _____ to _____ MM / DD / YYYY	<input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ _____

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

None

		Description of sources of revenue	Gross revenue from each source (before deductions and exclusions)
From the beginning of the fiscal year to filing date:	From _____ to Filing date MM / DD / YYYY	_____	\$ _____
For prior year:	From _____ to _____ MM / DD / YYYY	_____	\$ _____
For the year before that:	From _____ to _____ MM / DD / YYYY	_____	\$ _____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 2: List Certain Transfers Made Before Filing for Bankruptcy

3. Certain payments or transfers to creditors within 90 days before filing this case

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

None

Creditor's name and address	Dates	Total amount or value	Reasons for payment or transfer <i>Check all that apply</i>
3.1. Creditor's name _____ Street _____ City _____ State _____ ZIP Code _____	_____	\$ _____	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other _____
3.2. Creditor's name _____ Street _____ City _____ State _____ ZIP Code _____	_____	\$ _____	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other _____

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825. This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

None

Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.1. Insider's name _____ Street _____ City _____ State _____ ZIP Code _____ Relationship to debtor _____	_____	\$ _____	_____
4.2. Insider's name _____ Street _____ City _____ State _____ ZIP Code _____ Relationship to debtor _____	_____	\$ _____	_____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

None

	Creditor's name and address	Description of the property	Date	Value of property
5.1.	_____ Creditor's name _____ Street _____ City State ZIP Code	_____	_____	\$ _____
5.2.	_____ Creditor's name _____ Street _____ City State ZIP Code	_____	_____	\$ _____

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

None

	Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
	_____ Creditor's name _____ Street _____ City State ZIP Code	_____	_____	\$ _____
		Last 4 digits of account number: XXXX- ____ _		

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

None

	Case title	Nature of case	Court or agency's name and address	Status of case
7.1.	_____	_____	_____ Name _____ Street _____ City State ZIP Code	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
7.2.	_____	_____	_____ Name _____ Street _____ City State ZIP Code	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

None

Custodian's name and address	Description of the property	Value
_____ Custodian's name _____ Street _____ City State ZIP Code	_____ Case title _____ Case number _____ Date of order or assignment _____	\$ _____ _____ Court name and address _____ Name _____ Street _____ City State ZIP Code

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
9.1. _____ Recipient's name _____ Street _____ City State ZIP Code Recipient's relationship to debtor _____	_____ _____ _____	_____ _____ _____	\$ _____ _____ _____
9.2. _____ Recipient's name _____ Street _____ City State ZIP Code Recipient's relationship to debtor _____	_____ _____ _____	_____ _____ _____	\$ _____ _____ _____

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Date of loss	Value of property lost
_____ _____	If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property). _____ _____	_____ _____	\$ _____ _____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

None

Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.1. <u>See Attached Rider</u>			\$ _____
Address			
<u>Street</u>			
<u>City</u> <u>State</u> <u>ZIP Code</u>			
Email or website address			
<u> </u>			
Who made the payment, if not debtor?			
<u> </u>			

Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.2. _____			\$ _____
Address			
<u>Street</u>			
<u>City</u> <u>State</u> <u>ZIP Code</u>			
Email or website address			
<u> </u>			
Who made the payment, if not debtor?			
<u> </u>			

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

None

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
_____			\$ _____
Trustee			
<u> </u>			

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

13. Transfers not already listed on this statement

List any transfers of money or other property—by sale, trade, or any other means—made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

None

Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1. _____	_____	_____	\$ _____
Address			
Street _____			
City _____ State _____ ZIP Code _____			
Relationship to debtor			

13.2. _____	_____	_____	\$ _____
Address			
Street _____			
City _____ State _____ ZIP Code _____			
Relationship to debtor			

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

Does not apply

Address	Dates of occupancy	
	From	To
14.1. Street _____	_____	_____
City _____ State _____ ZIP Code _____		
14.2. Street _____	From _____	To _____
City _____ State _____ ZIP Code _____		

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:
 — diagnosing or treating injury, deformity, or disease, or
 — providing any surgical, psychiatric, drug treatment, or obstetric care?

- No. Go to Part 9.
 Yes. Fill in the information below.

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
---------------------------	--	---

15.1. Facility name _____

Street _____ **Location where patient records are maintained** (if different from facility address). If electronic, identify any service provider. **How are records kept?**

City _____ State _____ ZIP Code _____ *Check all that apply:*
 Electronically
 Paper

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
---------------------------	--	---

15.2. Facility name _____

Street _____ **Location where patient records are maintained** (if different from facility address). If electronic, identify any service provider. **How are records kept?**

City _____ State _____ ZIP Code _____ *Check all that apply:*
 Electronically
 Paper

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?

- No.
 Yes. State the nature of the information collected and retained. _____
 Does the debtor have a privacy policy about that information?
 No
 Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- No. Go to Part 10.
 Yes. Does the debtor serve as plan administrator?
 No. Go to Part 10.
 Yes. Fill in below:

Name of plan	Employer identification number of the plan
_____	EIN: _____ - _____

Has the plan been terminated?
 No
 Yes

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

None

	Financial institution name and address	Last 4 digits of account number	Type of account	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1.	Name _____ Street _____ City _____ State _____ ZIP Code _____	XXXX-____-____-____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other _____	_____	\$ _____
18.2.	Name _____ Street _____ City _____ State _____ ZIP Code _____	XXXX-____-____-____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other _____	_____	\$ _____

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

None

Depository institution name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
Name _____ Street _____ City _____ State _____ ZIP Code _____	_____ _____ _____ Address _____ _____	_____ _____ _____	<input type="checkbox"/> No <input type="checkbox"/> Yes

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

None

Facility name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
Name _____ Street _____ City _____ State _____ ZIP Code _____	_____ _____ _____ Address _____ _____	_____ _____ _____	<input type="checkbox"/> No <input type="checkbox"/> Yes

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

None

Owner's name and address	Location of the property	Description of the property	Value
Name _____	_____	_____	\$ _____
Street _____	_____	_____	
_____	_____	_____	
City _____ State _____ ZIP Code _____			

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

No
 Yes. Provide details below.

Case title	Court or agency name and address	Nature of the case	Status of case
_____	Name _____	_____	<input type="checkbox"/> Pending
Case number _____	Street _____	_____	<input type="checkbox"/> On appeal
_____	_____	_____	<input type="checkbox"/> Concluded
	City _____ State _____ ZIP Code _____		

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

No
 Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
Name _____	Name _____	_____	_____
Street _____	Street _____	_____	
_____	_____	_____	
City _____ State _____ ZIP Code _____	City _____ State _____ ZIP Code _____		

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

24. Has the debtor notified any governmental unit of any release of hazardous material?

- No
 Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
Name _____	Name _____	_____	_____
Street _____	Street _____	_____	
City _____ State _____ ZIP Code _____	City _____ State _____ ZIP Code _____		

Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

- None

Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.1. Name _____ Street _____ City _____ State _____ ZIP Code _____	_____ _____ _____	EIN: _____ - _____ - _____ Dates business existed From _____ To _____
25.2. Name _____ Street _____ City _____ State _____ ZIP Code _____	_____ _____ _____	EIN: _____ - _____ - _____ Dates business existed From _____ To _____
25.3. Name _____ Street _____ City _____ State _____ ZIP Code _____	_____ _____ _____	EIN: _____ - _____ - _____ Dates business existed From _____ To _____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

None

Name and address	Dates of service
26a.1. See Attached Rider	From _____ To _____

Name and address	Dates of service
26a.2. _____ Name _____ Street _____ City State ZIP Code	From _____ To _____

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

None

Name and address	Dates of service
26b.1. See Attached Rider	From _____ To _____

Name and address	Dates of service
26b.2. _____ Name _____ Street _____ City State ZIP Code	From _____ To _____

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

None

Name and address	If any books of account and records are unavailable, explain why
26c.1. See Attached Rider	_____ _____ _____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Name and address

If any books of account and records are unavailable, explain why

26c.2.

Name

Street

City State ZIP Code

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

None

Name and address

26d.1. See Attached Rider

Name and address

26d.2.

Name

Street

City State ZIP Code

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

No

Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory

Date of inventory

The dollar amount and basis (cost, market, or other basis) of each inventory

\$ _____

Name and address of the person who has possession of inventory records

27.1.

Name

Street

City State ZIP Code

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
_____	_____	\$ _____

Name and address of the person who has possession of inventory records

27.2. Name _____
Street _____
City _____ State _____ ZIP Code _____

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
See Attached Rider	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- No
 Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
_____	_____	_____	From _____ To _____
_____	_____	_____	From _____ To _____
_____	_____	_____	From _____ To _____
_____	_____	_____	From _____ To _____

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- No
 Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1. Name _____ Street _____ City _____ State _____ ZIP Code _____	_____	_____	_____
Relationship to debtor	_____	_____	_____

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

	Name and address of recipient			
30.2	Name _____	_____	_____	
	Street _____	_____	_____	
	City _____	State _____	ZIP Code _____	
	Relationship to debtor	_____	_____	

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?				
<input type="checkbox"/> No				
<input checked="" type="checkbox"/> Yes. Identify below.				
	Name of the parent corporation	Employer Identification number of the parent corporation		
	<u>See Attached Rider</u> _____	EIN: ____ - ____ - ____ - ____ - ____		
32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?				
<input checked="" type="checkbox"/> No				
<input type="checkbox"/> Yes. Identify below.				
	Name of the pension fund	Employer Identification number of the pension fund		
	_____	EIN: ____ - ____ - ____ - ____ - ____		

Debtor OnCore Processing LLC
Name

Case number (if known) 20-33496 (DRJ)

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 08/11/2020
MM / DD / YYYY

X /s/ J. Philip McCormick, Jr. Printed name J. Philip McCormick, Jr.

Signature of individual signing on behalf of the debtor

Position or relationship to debtor Chief Financial Officer

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy (Official Form 207)* attached?

- No
- Yes

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**Part 6, Question 11: Payments related to bankruptcy**

Creditor's Name and Address	Email or website address	Who made the payment if not debtor?	If not money describe any property transferred	Dates	Total amount or value
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	04/22/2020	\$431,090.00
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	04/30/2020	\$438,515.00
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	05/06/2020	\$274,522.50
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	05/20/2020	\$572,115.00
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	05/28/2020	\$265,320.00
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	06/11/2020	\$170,348.93
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	06/16/2020	\$272,823.75
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	06/19/2020	\$151,142.95
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	06/30/2020	\$177,415.00

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**Part 6, Question 11: Payments related to bankruptcy**

Creditor's Name and Address	Email or website address	Who made the payment if not debtor?	If not money describe any property transferred	Dates	Total amount or value
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	07/06/2020	\$1,196,953.24
ALVAREZ & MARSAL NORTH AMERICA, LLC ATTN: LIZ CARRINGTON 600 MADISON AVE.-8TH FLOOR NEW YORK, NY 10022	alvarezandmarsal.com	Hi-Crush Inc.	N/A	07/09/2020	\$378,545.00
HUNTON ANDREWS KURTH LP 600 TRAVIS ST. SUITE 4200 HOUSTON, TX 77002	huntonak.com	Hi-Crush Inc.	N/A	05/13/2020	\$150,000.00
HUNTON ANDREWS KURTH LP 600 TRAVIS ST. SUITE 4200 HOUSTON, TX 77002	huntonak.com	Hi-Crush Inc.	N/A	05/28/2020	\$16,310.00
HUNTON ANDREWS KURTH LP 600 TRAVIS ST. SUITE 4200 HOUSTON, TX 77002	huntonak.com	Hi-Crush Inc.	N/A	06/19/2020	\$39,372.00
HUNTON ANDREWS KURTH LP 600 TRAVIS ST. SUITE 4200 HOUSTON, TX 77002	huntonak.com	Hi-Crush Inc.	N/A	07/09/2020	\$277,484.18
KURTZMAN CONSULTANTS INC. DEPT CH 16639 PALATINE, IL60055	kccllc.com	Hi-Crush Inc.	N/A	05/28/2020	\$45,000.00
KURTZMAN CONSULTANTS INC. DEPT CH 16639 PALATINE, IL60055	kccllc.com	Hi-Crush Inc.	N/A	07/06/2020	\$40,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	03/25/2020	\$196,063.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	04/02/2020	\$200,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	04/13/2020	\$500,000.00

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**Part 6, Question 11: Payments related to bankruptcy**

Creditor's Name and Address	Email or website address	Who made the payment if not debtor?	If not money describe any property transferred	Dates	Total amount or value
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	05/06/2020	\$500,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	05/28/2020	\$600,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	06/15/2020	\$600,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	07/01/2020	\$600,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	07/07/2020	\$625,000.00
LATHAM & WATKINS LLP PO BOX 2103 CAROL STREAM, IL 60132	lw.com	Hi-Crush Inc.	N/A	07/09/2020	\$700,000.00
LAZARD FRERES & CO, LLC 600 TRAVIS STREET STE. 2300 HOUSTON, TX 77002	lazard.com	Hi-Crush Inc.	N/A	05/06/2020	\$176,481.06
LAZARD FRERES & CO, LLC 600 TRAVIS STREET STE. 2300 HOUSTON, TX 77002	lazard.com	Hi-Crush Inc.	N/A	05/28/2020	\$150,403.87
LAZARD FRERES & CO, LLC 600 TRAVIS STREET STE. 2300 HOUSTON, TX 77002	lazard.com	Hi-Crush Inc.	N/A	06/12/2020	\$150,000.00
LAZARD FRERES & CO, LLC 600 TRAVIS STREET STE. 2300 HOUSTON, TX 77002	lazard.com	Hi-Crush Inc.	N/A	07/09/2020	\$155,000.00

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy**Part 13, Question 26a:** List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

Name & Address	Dates of service From	Dates of service To
BLAKE, MARY ADDRESS ON FILE	07/13/2015	Present
FULTON, LAURA C ADDRESS ON FILE	04/30/2012	01/03/2020
GENDENJAMTS, SYLVIA ADDRESS ON FILE	11/01/2017	08/09/2019
GOSZYK, NIKKI ADDRESS ON FILE	11/19/2019	Present
MCCORMICK JR., J. PHILIP ADDRESS ON FILE	08/13/2018	Present

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26b: List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

Name & Address	Dates of service From	Dates of service To
DELOITTE & TOUCHE LLC 1111 BAGBY STREET, SUITE 4500 HOUSTON, TX 77002-2591	07/12/2018	Present
PRICEWATERHOUSECOOPERS LLP 2121 N PEARL ST DALLAS, TX 75395-2282	07/12/2018	Present
SIRIUS SOLUTIONS, LLLP 1233 WEST LOOP SOUTH, SUITE 1800 HOUSTON, TX 77027	07/12/2018	Present

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26c: Firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

Name and Address	If any books of account and records are unavailable explain why
BLAKE, MARY ADDRESS ON FILE	
DELOITTE & TOUCHE LLC 1111 BAGBY STREET, SUITE 4500 HOUSTON, TX 77002-2591	
GOSZYK, NIKKI ADDRESS ON FILE	
MCCORMICK JR., J. PHILIP ADDRESS ON FILE	
PRICEWATERHOUSECOOPERS LLP 2121 N PEARL ST DALLAS, TX 75395-2282	
SIRIUS SOLUTIONS, LLLP 1233 WEST LOOP SOUTH, SUITE 1800 HOUSTON, TX 77027	

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 26d: List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

Name & Address

JP MORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT
ATTN: ANDREW G. RAY
2200 ROSS AVENUE, 9TH FLOOR
DALLAS, TX 75201

MOODY'S INVESTORS SERVICE, INC.
7 WORLD TRADE CENTER
250 GREENWICH STREET
NEW YORK, NY 10007

STANDARD & POOR'S FINANCIAL SERVICES LLC
55 WATER STREET
NEW YORK, NY 10041

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE
ATTN: CORPORATE TRUST
8 GREENWAY PLAZA, SUITE 1100
HOUSTON, TX 77046-0892

Pursuant to the requirements of the Securities Exchange Act of 1934, at the end of each of its fiscal quarters and years and upon the occurrence of significant events, Hi-Crush Inc. prepares and files with the SEC Form 10-Q Quarterly Reports, Form 10-K Annual Reports, and Form 8-K Current Reports (collectively, the "SEC Filings"). The SEC Filings contain consolidated financial information relating to the Debtor and its affiliates. Additionally, the Debtors have historically provided information such as annual reports on their website. Because the SEC Filings and other reports are of public record, the Debtor does not maintain records of the parties who requested or obtained copies of any of the SEC Filings from the SEC, the Debtor or other sources.

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 28: Debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name and Address	Position and nature of any interest	% of interest if any
HI-CRUSH INC. 1330 POST OAK BLVD. SUITE 600 HOUSTON, TX 77056	Controlling Member	100%
MCCORMICK JR., J. PHILIP ADDRESS ON FILE	Chief Financial Officer	
RASMUS, ROBERT E. ADDRESS ON FILE	Chief Executive Officer	
SKOLOS, MARK C. ADDRESS ON FILE	General Counsel	

Debtor Name: OnCore Processing LLC

Case Number: 20-33496 (DRJ)

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

Part 13, Question 31: Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

Name of the parent corporation	Employer identification number of the parent corporation
Hi-Crush Inc.	90-0840530
Hi-Crush Proppants LLC	27-3830770