

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

----- X  
 In re: : Chapter 11  
 :  
 HI-CRUSH PERMIAN SAND LLC, *et al.*,<sup>1</sup> : Case No. 20-33505 (DRJ)  
 : (Jointly Administered)  
 Reorganized Debtors. : (Formerly Jointly Administered under Lead  
 : Case: Hi-Crush Inc., Case No. 20-33495)<sup>2</sup>  
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**REORGANIZED DEBTORS' OBJECTION TO  
PROOF OF CLAIM NO. 547 (SIGMUND KNOX)**

**This is an Objection to your claim. This objection asks the Court to disallow the claim that you filed in this bankruptcy case. If you do not file a response within 30 days after the objection was served on you, your claim may be disallowed without a hearing.**

**A hearing will be conducted on this matter on May 14, 2021 at 9:30 am (Prevailing Central Time) in Courtroom 400, 4th floor, United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Street, Houston, Texas 77002. You may participate in the hearing by audio/video connection.**

**Audio communication will be by use of the Court's regular dial-in facility. You may access the facility at (832) 917-1510. You will be responsible for your own long-distance charges. Once connected, you will be asked to enter the conference room number. Judge Jones' conference room number is 205691.**

**You may view video via GoToMeeting. To use GoToMeeting, the Court recommends that you download the free GoToMeeting application. To connect, you should enter the meeting Code "JudgeJones" in the GoToMeeting app or click the link on Judge Jones' home page on**

<sup>1</sup> The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

<sup>2</sup> On December 11, 2020, the Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 20-33495, Docket No. 505], which closed each Reorganized Debtor's case except for Hi-Crush Permian Sand LLC, Case No. 20-33505, and directed that all further filings be made in that case.



the Southern District of Texas website. Once connected, click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of the hearing. To make your electronic appearance, go to the Southern District of Texas website and select “Bankruptcy Court” from the top menu. Select “Judges’ Procedures,” then “View Home Page” for Judge Jones. Under “Electronic Appearance” select “Click here to submit Electronic Appearance”. Select the case name, complete the required fields and click “Submit” to complete your appearance.

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within 30 days from the date this objection was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

The above-captioned reorganized debtors (collectively, the “Debtors” or “Reorganized Debtors,” as applicable) respectfully state the following in support of this claim objection (the “Objection”):

#### RELIEF REQUESTED

1. By this Objection, the Reorganized Debtors seek entry of an order (the “Order”), substantially in the form attached hereto, disallowing the Disputed Claim (as defined below) in its entirety because the claims asserted in the Disputed Claim for employment discrimination are without merit. As a result, the Disputed Claim should be disallowed in its entirety.

#### JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157, and this Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a) and 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rule 3007 of the

Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 3007-1(b) of the Bankruptcy Local Rules for the Southern District of Texas, and the Procedures for Complex Cases in the Southern District of Texas.

**BACKGROUND**

4. On July 12, 2020 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief in this Court commencing cases (the “**Chapter 11 Cases**”) under chapter 11 of the Bankruptcy Code. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of J. Philip McCormick, Jr., Chief Financial Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 24]<sup>3</sup> (the “**First Day Declaration**”), filed on the Petition Date.

5. On August 15, 2020, the Debtors filed their *Joint Plan of Reorganization for Hi-Crush Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 289] (as may be amended, modified, or supplemented, the “**Plan**”). On September 23, 2020, the Court entered the *Findings of Fact, Conclusions of Law and Order Confirming the Plan of Reorganization for Hi-Crush Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 420] (the “**Confirmation Order**”).

6. The Plan provides that the Reorganized Debtors are authorized to object to scheduled claims and proofs of claim and interests. *See* Plan Article VIII. On October 9, 2020, the Plan was substantially consummated, and the Effective Date (as defined in the Plan) occurred. *See Notice of (I) Effective Date of the Joint Plan or Reorganization for Hi-Crush Inc. and its*

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<sup>3</sup> All references to “Docket No.” refer to the docket in the former lead case of Hi-Crush Inc., Case No. 20-33495 unless otherwise indicated.

*Affiliate Debtors Under Chapter 11 of the Bankruptcy Code and (II) Establishing Deadline for the Filing of Administrative Claims Against the Debtors* [Docket No. 452] (the “**Notice of Effective Date**”).

7. On August 11, 2020, the Debtors filed their respective schedules of assets and liabilities (“**Schedules**”) and statements of financial affairs, pursuant to Bankruptcy Rule 1007. See Docket Nos. 231-274.

8. On July 13, 2020, the Court entered the *Order (I) Establishing (A) Bar Dates and (B) Related Procedures for Filing Proofs of Claim, (II) Approving the Form and Manner of Notice Thereof and (III) Granting Related Relief* [Docket No. 88] (the “**Bar Date Order**”) pursuant to which the Court, among other things, established August 16, 2020, at 5:00 p.m. (prevailing Central Time) (the “**General Bar Date**”), as the deadline for all non-governmental entities<sup>4</sup> holding or wishing to assert a “claim” (as defined in section 101(15) of the Bankruptcy Code).

#### **THE DISPUTED CLAIM**

9. On August 16, 2020, Sigmund Knox (the “**Claimant**”) filed Claim No. 547 (the “**Disputed Claim**”), a copy of which is attached as **Exhibit A**.

10. The Reorganized Debtors and their advisors, including Alvarez & Marsal North America, LLC (“**A&M**”), have been working diligently to review the proofs of claim filed in these cases, including any supporting documentation filed together with any proof of claim. As set forth herein and in the declaration of Jeffrey Sielinski, Senior Director, A&M (the “**Sielinski Declaration**”), attached as **Exhibit B**, the Reorganized Debtors have thoroughly reviewed their books and records and have determined that the Disputed Claim should be disallowed in its entirety

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<sup>4</sup> The deadline for all governmental units asserting a “claim” (as defined in section 101(15) of the Bankruptcy Code) against the Reorganized Debtors that arose on or prior to the Petition Date to file written proof of such claim was January 8, 2021, at 5:00 p.m. (prevailing Central Time) (together with the General Bar Date, the “**Bar Dates**”).

because the claims asserted in the Disputed Claim for employment discrimination are without merit.

11. The Claimant was employed with debtor Pronghorn Logistics, LLC (“**Pronghorn**”) from January 2019 until his termination in March 2019. Under the terms of his employment, the Claimant was an at will employee. The Claimant’s job duties included operating a heavy capacity forklift on client jobsites, a safety-sensitive job. Pronghorn had a policy prohibiting employees in the Claimant’s position from sleeping on the jobsite during their shifts for safety and customer service reasons. This policy was communicated to the Claimant on multiple occasions after he was found sleeping on the jobsite during his shift. These infractions eventually led to the Claimant’s termination.

12. The Disputed Claim asserts that the Claimant “experienced disparate treatment on the basis of his race.” The Reorganized Debtors categorically deny the allegations that the Claimant was subject to any discriminatory treatment while employed by Pronghorn. At no point during his employment did the Claimant report any incidents of discriminatory treatment. Such allegations were only made subsequent to his termination in a demand letter from his counsel. Further, the Claimant’s termination was not in retaliation for reporting discrimination (which never occurred), but for violating clearly communicated company policy on multiple occasions. As a result, the Disputed Claim should be disallowed in its entirety.

**BASIS FOR RELIEF**

13. Section 502(a) of the Bankruptcy Code provides, in pertinent part, as follows: “[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502. Moreover, section 502(b)(1) of the Bankruptcy Code provides, in relevant part, that a claim may not be allowed if “such claim is

unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . .” 11 U.S.C. § 502(b)(1).

14. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes *prima facie* evidence of the validity and the amount of the claim under section 502(a) of the Bankruptcy Code. *See, e.g., In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010). A proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that are essential to the claim’s legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988). Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* Despite this shifting burden during the claim objection process, “the ultimate burden of proof always lies with the claimant.” *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep’t of Rev.*, 530 U.S. 15 (2000)).

15. For the reasons set forth above, as supported by the Sielinski Declaration, the Reorganized Debtors respectfully request that the Court enter an Order sustaining this Objection and disallowing the Disputed Claim as set forth above. Failure to do so could result in the Claimant receiving an unwarranted recovery from the Reorganized Debtors—to the detriment of legitimate creditors.

**RESERVATION OF RIGHTS**

16. This Objection is without prejudice to the rights of the Reorganized Debtors or any other party in interest to object to the Disputed Claim on any grounds whatsoever, and the Reorganized Debtors expressly reserve all further substantive or procedural objections they may have.

Dated: April 8, 2021  
Houston, Texas

Respectfully Submitted,

/s/ Philip M. Guffy

Timothy A. ("Tad") Davidson II (TX Bar No. 24012503)

Joseph P. Rovira (TX Bar No. 24066008)

Ashley Harper (TX Bar No. 24065272)

Philip M. Guffy (TX Bar No. 24113705)

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-and-

George A. Davis (admitted *pro hac vice*)

Keith A. Simon (admitted *pro hac vice*)

David A. Hammerman (admitted *pro hac vice*)

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*Counsel for the Reorganized Debtors*

**CERTIFICATE OF SERVICE**

I certify that on April 8, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Philip M. Guffy  
Philip M. Guffy



**Exhibit A**

**Proof of Claim**

**Fill in this information to identify the case:**

Debtor Pronghorn Logistics, LLC

United States Bankruptcy Court for the: Southern District of Texas  
(State)

Case number 20-33515

Official Form 410  
**Proof of Claim**

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

**Part 1: Identify the Claim**

1. **Who is the current creditor?** KNOX, SIGMUND  
Name of the current creditor (the person or entity to be paid for this claim)  
Other names the creditor used with the debtor \_\_\_\_\_

2. **Has this claim been acquired from someone else?**  No  
 Yes. From whom? \_\_\_\_\_

3. **Where should notices and payments to the creditor be sent?**

| Where should notices to the creditor be sent?  | Where should payments to the creditor be sent? (if different) |
|--|---|
| <u>KNOX, SIGMUND</u><br><u>ELLWANGER LAW FIRM</u><br><u>8310 N Capital of Texas Hwy</u><br><u>Suite 190</u><br><u>Austin, Texas 78731, United States</u> |   |
| Contact phone <u>7378082260</u>  | Contact phone _____   |
| Contact email <u>jellwanger@equalrights.law</u>  | Contact email _____   |
| Uniform claim identifier for electronic payments in chapter 13 (if you use one):<br>_____  |   |

4. **Does this claim amend one already filed?**  No  
 Yes. Claim number on court claims registry (if known) \_\_\_\_\_ Filed on \_\_\_\_\_  
MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**  No  
 Yes. Who made the earlier filing? \_\_\_\_\_



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_ \_

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7. How much is the claim? \$ 350,000. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

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8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
 Limit disclosing information that is entitled to privacy, such as health care information.  
  
Employment Discrimination Claim

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9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature or property:**  
 Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
  
**Basis for perfection:** \_\_\_\_\_  
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amount should match the amount in line 7.)  
  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
 Fixed  
 Variable

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10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

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11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

- No
- Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ \_\_\_\_\_
- Up to \$3,025\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ \_\_\_\_\_
- Wages, salaries, or commissions (up to \$13,650\*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ \_\_\_\_\_
- Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ \_\_\_\_\_
- Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ \_\_\_\_\_
- Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies. \$ \_\_\_\_\_

\* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

- No
- Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ \_\_\_\_\_

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

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

Executed on date 08/16/2020  
MM / DD / YYYY

/s/Jay Ellwanger  
Signature

Print the name of the person who is completing and signing this claim:

Name Jay Ellwanger  
First name Middle name Last name

Title Partner

Company Ellwanger Law LLP  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address \_\_\_\_\_

Contact phone \_\_\_\_\_ Email \_\_\_\_\_



Case 20-33505 Document 87-1 Filed in TXSB on 04/08/21 Page 5 of 9  
 KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 554-5810 | International (781) 575-2032

|  |   |                                  |
|--|---|----------------------------------|
| <b>Debtor:</b><br>20-33515 - Pronghorn Logistics, LLC<br><b>District:</b><br>Southern District of Texas, Houston Division  |   |                                  |
| <b>Creditor:</b><br>KNOX, SIGMUND<br>ELLWANGER LAW FIRM<br>8310 N Capital of Texas Hwy<br>Suite 190<br>Austin, Texas, 78731<br>United States<br><b>Phone:</b><br>7378082260<br><b>Phone 2:</b><br><br><b>Fax:</b><br><br><b>Email:</b><br>jellwanger@equalrights.law | <b>Has Supporting Documentation:</b><br>Yes, supporting documentation successfully uploaded<br><b>Related Document Statement:</b>   |                                  |
|  | <b>Has Related Claim:</b><br>No<br><b>Related Claim Filed By:</b>   |                                  |
|  | <b>Filing Party:</b><br>Authorized agent  |                                  |
| <b>Other Names Used with Debtor:</b>   | <b>Amends Claim:</b><br>No<br><b>Acquired Claim:</b><br>No  |                                  |
| <b>Basis of Claim:</b><br>Employment Discrimination Claim  | <b>Last 4 Digits:</b><br>No   | <b>Uniform Claim Identifier:</b> |
| <b>Total Amount of Claim:</b><br>350,000   | <b>Includes Interest or Charges:</b><br>Yes   |                                  |
| <b>Has Priority Claim:</b><br>No   | <b>Priority Under:</b>  |                                  |
| <b>Has Secured Claim:</b><br>No<br><b>Amount of 503(b)(9):</b><br>No<br><b>Based on Lease:</b><br>No<br><b>Subject to Right of Setoff:</b><br>No   | <b>Nature of Secured Amount:</b><br><b>Value of Property:</b><br><b>Annual Interest Rate:</b><br><b>Arrearage Amount:</b><br><b>Basis for Perfection:</b><br><b>Amount Unsecured:</b> |                                  |
| <b>Submitted By:</b><br>Jay Ellwanger on 16-Aug-2020 12:55:29 p.m. Eastern Time<br><b>Title:</b><br>Partner<br><b>Company:</b><br>Ellwanger Law LLLP   |   |                                  |



ELLWANGER LAW  
EQUAL RIGHTS ATTORNEYS

September 13, 2019

**VIA EMAIL: [sanantonio.intake@eoc.gov](mailto:sanantonio.intake@eoc.gov)**

Intake Supervisor  
U.S. Equal Employment Opportunity Commission  
San Antonio Field Office  
5410 Fredericksburg Road, Suite 200  
San Antonio, Texas 78229

**Re: Sigmund Knox v. Pronghorn Logistics LLC**

To Whom It May Concern:

We represent Sigmund Knox in his discrimination, harassment, and retaliation claims against Pronghorn Logistics, LLC. Enclosed please find Mr. Knox's charge for filing, to be deemed filed as of today.

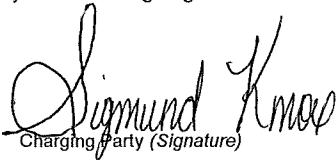
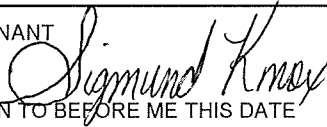
Should you have any questions, please do not hesitate to contact us. We are available by phone at (737) 808-2260, by fax at (737) 808-2263, and by email at [jellwanger@equalrights.law](mailto:jellwanger@equalrights.law). Thank you.

Sincerely,

ELLWANGER LAW,  
a limited liability limited partnership

/s/ Jay D. Ellwanger  
Jay D. Ellwanger

Enclosures

|   |  |   |   |
|---|--|---|---|
| <b>CHARGE OF DISCRIMINATION</b>   |  | AGENCY<br><input type="checkbox"/> FEPA<br><input checked="" type="checkbox"/> EEOC   | CHARGE NUMBER   |
| This form is affected by the Privacy Act of 1974; See Privacy Act Statement before completing this form.  |  |   |   |
| Texas Commission on Human Rights _____ and EEOC   |  |   |   |
| NAME<br>Sigmund Knox  |  | HOME TELEPHONE<br>(318) 243-5916  |   |
| STREET ADDRESS<br>407 E. Colorado Ave.  |  | CITY, STATE AND ZIP CODE<br>Ruston, LA 71270  | DATE OF BIRTH<br>11/18/80   |
| NAMED IS THE EMPLOYER, LABOR ORGANIZATION, EMPLOYMENT AGENCY, APPRENTICESHIP COMMITTEE, STATE OR LOCAL GOVERNMENT AGENCY WHO DISCRIMINATED AGAINST ME (If more than one list below.)  |  |   |   |
| NAME<br>Pronghorn Logistics LLC   |  | NUMBER OF EMPLOYEES, MEMBERS<br>25+   | TELEPHONE<br>(720) 465-1188   |
| STREET ADDRESS<br>1630 Welton Street, Suite 202   |  | CITY, STATE AND ZIP CODE<br>Denver, CO 80202  | COUNTY<br>Denver  |
| CAUSE OF DISCRIMINATION BASED ON (Check appropriate box(es))  |  |   | DATE DISCRIMINATION TOOK PLACE  |
| <input checked="" type="checkbox"/> RACE <input checked="" type="checkbox"/> COLOR <input type="checkbox"/> SEX <input type="checkbox"/> RELIGION <input type="checkbox"/> AGE<br><input checked="" type="checkbox"/> RETALIATION <input type="checkbox"/> NATIONAL ORIGIN <input type="checkbox"/> DISABILITY <input type="checkbox"/> OTHER (Specify) |  |   | EARLIEST (ADEA/EPA) _____ LATEST (ALL) _____<br>January 2019 – March 2019 |
|   |  |   | <input type="checkbox"/> CONTINUING ACTION                                |
| THE PARTICULARS ARE (If additional paper is needed, attach extra sheet(s)):<br><br>See Attachment A.  |  |   |   |
| I want this charge filed with both the EEOC and the State or local Agency, if any. I will advise the agencies if I change my address or telephone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.   |  | NOTARY - (When necessary for State and Local Requirements)  |   |
|   |  | I swear or affirm that I have read the above charge and that it is true to the best of my knowledge, information and belief.  |   |
| I declare under penalty of perjury that the foregoing is true and correct.  |  | SIGNATURE OF COMPLAINANT  |   |
| Date 4-14-19<br><br>Charging Party (Signature)   |  | <br>SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE<br>(Day, month, and year)<br>4-14-19 |   |

**SIGMUND KNOX  
ATTACHMENT A**

1. Sigmund Knox (“Mr. Knox”) worked for Pronghorn Logistics (“Pronghorn”) as a Sand Operator beginning on or around January 3, 2019, until his termination on or around March 18, 2019. At the time of his termination, Mr. Knox worked at the Pronghorn worksite in Caldwell, Texas.
2. Mr. Knox experienced disparate treatment on the basis of his race quickly after beginning work for Pronghorn. In or around March 15, 2019, while talking with Mr. Knox and other workers, a White co-worker and friend of the supervisor pointed to Mr. Knox and several Black co-workers and said, “that’s the nigger group over there and this is the white group,” explaining how he did not want the workplace to integrate.
3. Mr. Knox complained to the co-worker and the White supervisor that this language was racist and disrespectful. The supervisor told Mr. Knox not to complain about these comments. Upon information and belief, no investigation or action was taken by management and the co-worker was not disciplined.
4. Three days later, on or around March 18, 2019, Mr. Knox was subjected to a retaliatory termination. Upon information and belief, Mr. Knox was terminated at the same time as another Black employee who complained about the same racist comments.
5. Mr. Knox was told that he was terminated for being asleep in his truck when he was not on duty. However, Mr. Knox personally witnessed the supervisor who terminated him sleep in his truck on the site. Further, upon information and belief, no White employees were ever disciplined for sleeping on the worksite.

Based on the aforementioned, Sigmund Knox is a victim of discrimination and retaliation in direct violation of Title VII of the Civil Rights Act of 1964, as well as all other applicable statutes.



Sigmund Knox Damages Model

**Economic**

- Worked at Pronghorn 2 months
  - \$22 per hour, 112 hours per week
  - **\$6512 gross per bi-weekly paycheck**
    - \$4,834 take home
- Fired March 18, 2019. Unemployed until July 17, 2019
  - 121 days, 17 weeks, 8.5 paychecks
  - **\$55,352 owed for this period**
- Employed at TSS as a Sand Operator from July 17, 2019 until April 5, 2020
  - Paid \$18.00 an hour, 112 hours a week
  - **\$5,328 gross pay per week**
  - \$1,184 difference in pay
  - 263, 37.5 weeks, 18.78 pay periods
  - **\$22,242.28 owed for this period**
- Unemployed from April 5, 2020 until present
  - 131 days, 18.7 weeks, 9.3 pay periods
  - **\$60,933.71 owed for this period**
- **Total backpay: \$140,000.00**

**Front pay: \$50,000**

**Compensatory: \$20,000**

**Attorneys' fees: \$140,000**

**Total: \$350,000**

**Exhibit B**

**Sielinski Declaration**

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

----- X  
 In re: : Chapter 11  
 :  
 HI-CRUSH PERMIAN SAND LLC, *et al.*,<sup>1</sup> : Case No. 20-33505 (DRJ)  
 : (Jointly Administered)  
 Reorganized Debtors. : (Formerly Jointly Administered under Lead  
 : Case: Hi-Crush Inc., Case No. 20-33495)<sup>2</sup>  
 ----- X

**DECLARATION OF JEFFREY SIELINSKI IN SUPPORT OF REORGANIZED DEBTORS’ OBJECTION TO PROOF OF CLAIM NO. 547 (SIGMUND KNOX)**

I, Jeffrey Sielinski, hereby declare under penalty of perjury:

1. I am a Senior Director with Alvarez & Marsal North America, LLC, (“**A&M**”), a restructuring advisory services firm with numerous offices throughout the country.<sup>3</sup> I, along with my colleagues at A&M, have been engaged by the Reorganized Debtors to provide various restructuring and financial services. In my current position with the Reorganized Debtors, I am responsible for all claims management related matters. I am generally familiar with the Reorganized Debtors’ day-to-day operations, financing arrangements, business affairs, and books and records that reflect, among other things, the Reorganized Debtors’ liabilities and the amount

<sup>1</sup> The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

<sup>2</sup> On December 11, 2020, the Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 20-33495, Docket No. 505], which closed each Reorganized Debtor’s case except for Hi-Crush Permian Sand LLC, Case No. 20-33505, and directed that all further filings be made in that case.

<sup>3</sup> Capitalized terms used but not otherwise defined in this Declaration have the meanings given to them in the Objection.

thereof owed to their creditors as of the Petition Date. I am above 18 years of age, and I am competent to testify.

2. I submit this declaration (this “**Declaration**”) in support of the *Reorganized Debtors’ Objection to Proof of Claim No. 547 (Sigmund Knox)* (the “**Objection**”) and am directly, or by and through the Reorganized Debtors’ advisors and personnel, familiar with the information contained therein and the Disputed Claim. I am authorized to submit this declaration on the Reorganized Debtors’ behalf. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Reorganized Debtors’ operations and finances, information learned from my review of relevant documents, and information I have received from other members of the Reorganized Debtors’ management, the Reorganized Debtors’ employees or the Reorganized Debtors’ advisors. As to matters regarding state and federal law, including bankruptcy law, I have relied on the advice of counsel. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration on that basis.

3. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, considerable time and resources have been expended to ensure a high level of diligence in reviewing and reconciling the proofs of claim filed against the Reorganized Debtors in the chapter 11 cases. In evaluating the Disputed Claim, the Reorganized Debtors and/or their advisors thoroughly reviewed the Reorganized Debtors’ books and records and the Disputed Claim (as well as any supporting documentation) and have determined that the Disputed Claim should be disallowed in its entirety for the reasons set forth in the Objection.

4. Failure to disallow the Disputed Claim could result in the Claimant receiving an unwarranted recovery—to the detriment of similarly situated creditors with legitimate claims. Thus, I believe that disallowance of the Disputed Claim in its entirety is appropriate.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: April 8, 2021

Respectfully submitted,

/s/ Jeffrey Sielinski

Jeffrey Sielinski, Senior Director

Alvarez & Marsal North America, LLC

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

|   |   |  |
|---|---|--|
|   | X |  |
| In re:  | : | Chapter 11   |
|   | : |  |
| HI-CRUSH PERMIAN SAND LLC, <i>et al.</i> , <sup>1</sup> | : | Case No. 20-33505 (DRJ)                              |
|   | : | (Jointly Administered)                               |
| Reorganized Debtors.                                    | : | (Formerly Jointly Administered under Lead            |
|   | : | Case: Hi-Crush Inc., Case No. 20-33495) <sup>2</sup> |
|   | X |  |

**ORDER SUSTAINING REORGANIZED DEBTORS’  
OBJECTION TO PROOF OF CLAIM NO. 547 (SIGMUND KNOX)**  
[Relates to Objection at Docket No. \_\_\_]

Upon the objection (the “**Objection**”)<sup>3</sup> of the above-captioned reorganized debtors (collectively, the “**Reorganized Debtors**”) seeking entry of an order (this “**Order**”) disallowing the Disputed Claim in its entirety, all as more fully set forth in the Objection; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of this proceeding and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the Reorganized Debtors’ notice of the Objection and opportunity for a

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<sup>1</sup> The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors’ address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

<sup>2</sup> On December 11, 2020, the Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 20-33495, Docket No. 505], which closed each Reorganized Debtor’s case except for Hi-Crush Permian Sand LLC, Case No. 20-33505, and directed that all further filings be made in that case.

<sup>3</sup> Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Objection.

hearing on the Objection were appropriate under the circumstances and no other notice need be provided; and the Court having reviewed the Objection; and all responses, if any, to the Objection having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Disputed Claim (Claim No. 547) is disallowed in its entirety.
2. Kurtzman Carson Consultants LLC, as claims agent, is authorized and directed to update the claims register maintained in these chapter 11 cases to reflect the relief granted in this Order.
3. The Reorganized Debtors and Kurtzman Carson Consultants LLC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Objection.
4. This Court shall retain exclusive jurisdiction to resolve any dispute arising from or related to this Order.

Signed: \_\_\_\_\_, 2021

\_\_\_\_\_  
DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE