

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

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

**REORGANIZED DEBTORS' OBJECTION TO
PROOF OF CLAIM NO. 448 (CISCO LOGISTICS, LLC)**

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

¹ 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.

² 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 Reorganized Debtors are not liable to the Claimant (as defined below) for the claims asserted in the lawsuit that forms the basis of the Disputed Claim.

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]³ (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*

³ 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 entities⁴ holding or wishing to assert a “claim” (as defined in section 101(15) of the Bankruptcy Code).

THE DISPUTED CLAIM

9. On August 14, 2020, Cisco Logistics, LLC (the “**Claimant**”) filed Claim No. 448 (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

⁴ 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**”).

books and records and have determined that the Disputed Claim should be disallowed in its entirety.

11. The basis of the Disputed Claim is a lawsuit filed by the Claimant against one of the Reorganized Debtors, FB Industries USA Inc. (“**FB USA**”), and FB Industries Inc. (“**FB Industries**” and together with FB USA, the “**Defendants**”), which is a non-debtor affiliate of the Reorganized Debtors. A copy of the *Plaintiff’s Original Petition and Request for Disclosure* (the “**Complaint**”) initiating the lawsuit is attached to the Disputed Claim as Exhibit A. The Claimant alleges the Defendants breached express and implied warranties in the sale of certain equipment to the Claimant. The lawsuit was commenced prior to the Petition Date on June 29, 2020 and is currently pending in the Texas District Court for Eastland County under Cause No. CV2045726.

12. The Complaint alleges that the Defendants sold the Claimant “ten new Titan SS-280 sand silo sets (“**Silo Sets**”), fourteen new SST50P sand silo trailers (“**Trailers**”), and ten new Cobra conveyor systems (“**Conveyor Systems**”) from FB [Industries] (collectively, the “**Equipment**”) for approximately \$15.7 million.” Complaint ¶ 1. The Complaint further alleges that “the Equipment was not new, did not function reliably, and was not in the condition warranted by [the Defendants].” *Id.* The Complaint asserts three causes of actions as a result: breach of express warranties by FB Industries, breach of implied warranties of fitness for a particular purpose by FB Industries, and breach of implied warranty of good and workmanlike services by FB USA.⁵

⁵ While the majority of the claims asserted in the Complaint are not asserted against FB USA, all the claims asserted in the Complaint lack merit. The agreement between the Claimant and FB Industries includes a Warranty Terms & Conditions (the “**Warranty**”). (The Warranty contains proprietary business information and/or may be subject to certain confidentiality requirements. A copy of the Warranty will be provided upon request in compliance with any confidentiality agreements or provisions.) Under the terms of the Warranty, FB Industries only warranted that the Equipment would be free from “defects in material and workmanship.” *See* Warranty. Because “the general rule in Texas and elsewhere [is] that ‘materials and workmanship’ warranties do not cover design defects,” the Claimant’s claims are limited to the extent that it seeks damages for violations of express warranties for design defects, as opposed to manufacturing defects. *Salinas v. Ford Motor Co.*, Civ. Action No. 7:15-CV-11, 2016 WL

13. While the Complaint seeks unspecified damages against the Defendants, the Disputed Claim asserts a claim for \$1.2 million against FB USA. Specifically, the Complaint asserts that FB USA sold services to Cisco to repair and/or modify the Equipment and that FB USA did not make these repairs in a good and workmanlike manner. Complaint ¶ 26. The Claimant asserts that these alleged failures resulted in damages that form the basis of the Disputed Claim.

14. The Disputed Claim lacks merit because FB USA properly performed all repairs on the Equipment. As a result, no liability exists with respect to the repairs. Further, any claims for incidental or consequential damages are barred by the express terms of the Warranty. As a result, the Disputed Claim should be disallowed in its entirety.

BASIS FOR RELIEF

15. 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).

8461424, at *5 (S.D. Tex. May 13, 2016). The Warranty also provides that that “FB Industries will not be liable for incidental or consequential damages.” See *Weaver v. Jamar*, 383 S.W.3d 805, 812 (Tex. App.—Houston [14th Dist.] 2012, no pet.) (holding that provisions limiting a party’s available remedies are generally enforceable under Texas law). Further, because the Warranty limits the Claimant’s damages to those arising from defects that cause the “product [to] fail within 1 (one) year from the date of purchase,” the Claimant’s claims are barred to the extent they seek damages for product failures that occurred more than a year after the date of purchase. See, e.g., *Raymond v. Rahme*, 78 S.W.3d 552, 563 (Tex. App.—Austin 2002, no pet.) (explaining that an “express warranty extended only as far as [its] express representation[s]”); *Loper v. Smith Corona, Inc.*, No. 07-99-0272-CV, 2000 WL 798799, at *2 (Tex. App.—Amarillo June 21, 2000, no pet.) (enforcing express time limit and noting that “[e]xpress warranties displace inconsistent implied warranties”). To the extent Claimant seeks to assert the foregoing claims against FB USA, such claims should be disallowed.

16. 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)).

17. Specifically, the Disputed Claim fails to set forth any facts in support of the allegation that FB USA failed to properly perform repairs. As set forth above, FB USA properly performed all repairs on the Equipment, and the Claimant's unsupported assertion that unspecified failures caused unspecified damages is insufficient to state a claim against FB USA. Further, the Claimant's claims for consequential damages are foreclosed by the Warranty, which provides that "FB Industries will not be liable for incidental or consequential damages." *See Weaver v. Jamar*, 383 S.W.3d 805, 812 (Tex. App.—Houston [14th Dist.] 2012, no pet.) (holding that provisions limiting a party's available remedies are generally enforceable under Texas law).

18. For the reasons set forth above, as supported by the Sielinski Declaration, the Reorganized Debtors respectfully respect that the Court enter an Order sustaining this Objection and disallowing the Disputed Claim in its entirety. 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

19. 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.

[Remainder of page intentionally left blank]

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)

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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 FB Industries USA Inc.

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

Case number 20-33513

**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?	<u>Cisco Logistics, LLC</u> 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?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
	Cisco Logistics, LLC Tom Scannell, Esq. Foley and Lardner, LLP 2021 McKinney Avenue, Suite 1600 Dallas, TX 75201, Dallas	
	Contact phone <u>214-999-4289</u>	Contact phone _____
	Contact email <u>tscannell@foley.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 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?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 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: _____

7. How much is the claim? \$ 1200000. 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).

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.

Breach of warranties

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

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

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
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> 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).	\$ _____
<input type="checkbox"/> 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).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> 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 08/14/2020
MM / DD / YYYY

/s/Javier Rocha
Signature

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

Name Javier Rocha
First name Middle name Last name

Title General Counsel

Company Wilks Brothers
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____

Contact phone _____ Email _____



Case 20-33505 Document 89-1 Filed in TXSB on 04/08/21 Page 5 of 54
 KCC ePOC Electronic Claim Filing Summary

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

Debtor: 20-33513 - FB Industries USA Inc. District: Southern District of Texas, Houston Division		
Creditor: Cisco Logistics, LLC Tom Scannell, Esq. Foley and Lardner, LLP 2021 McKinney Avenue, Suite 1600 Dallas, TX, 75201 Dallas Phone: 214-999-4289 Phone 2: Fax: Email: tscannell@foley.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Authorized agent	
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: Breach of warranties	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 1200000	Includes Interest or Charges: Yes	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Javier Rocha on 14-Aug-2020 3:22:41 p.m. Eastern Time Title: General Counsel Company: Wilks Brothers		

Your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/hicrush>.

United States Bankruptcy Court for the Southern District of Texas

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|--|--|--|
| <input type="checkbox"/> Hi-Crush Inc. (Case No. 20-33495) | <input type="checkbox"/> Hi-Crush Holdings LLC (Case No. 20-33509) | <input type="checkbox"/> Hi-Crush Whitehall LLC (Case No. 20-33498) |
| <input type="checkbox"/> BulkTracer Holdings LLC (Case No. 20-33511) | <input type="checkbox"/> Hi-Crush Investments Inc. (Case No. 20-33504) | <input type="checkbox"/> Hi-Crush Wyeville Operating LLC (Case No. 20-33500) |
| <input type="checkbox"/> D & I Silica, LLC (Case No. 20-33501) | <input type="checkbox"/> Hi-Crush LMS LLC (Case No. 20-33503) | <input type="checkbox"/> OnCore Processing LLC (Case No. 20-33496) |
| <input checked="" type="checkbox"/> FB Industries USA Inc. (Case No. 20-33513) | <input type="checkbox"/> Hi-Crush Permian Sand LLC (Case No. 20-33505) | <input type="checkbox"/> PDQ Properties LLC (Case No. 20-33499) |
| <input type="checkbox"/> FB Logistics, LLC (Case No. 20-33516) | <input type="checkbox"/> Hi-Crush PODS LLC (Case No. 20-33507) | <input type="checkbox"/> Pronghorn Logistics Holdings, LLC (Case No. 20-33512) |
| <input type="checkbox"/> Hi-Crush Augusta LLC (Case No. 20-33497) | <input type="checkbox"/> Hi-Crush Proppants LLC (Case No. 20-33506) | <input type="checkbox"/> Pronghorn Logistics, LLC (Case No. 20-33515) |
| <input type="checkbox"/> Hi-Crush Blair LLC (Case No. 20-33502) | <input type="checkbox"/> Hi-Crush Services LLC (Case No. 20-33510) | <input type="checkbox"/> PropDispatch LLC (Case No. 20-33514) |
| <input type="checkbox"/> Hi-Crush Canada Inc. (Case No. 20-33508) | | |

**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. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

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.

Part 1: Identify the Claim

1. Who is the current creditor?	Cisco Logistics, LLC 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?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Foley & Lardner, LLP; attn: Tom Scannell, Esq. Name _____ 2021 McKinney Avenue, Suite 1600 Number Street Dallas, TX 75201 City State ZIP Code USA Country Contact phone 214-999-4289 Contact email tscannell@foley.com	Where should payments to the creditor be sent? (if different) Name _____ Number Street City State ZIP Code Country Contact phone _____ Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 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?	<input checked="" type="checkbox"/> No <input type="checkbox"/> 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: ____ _

7. How much is the claim? \$ _____ \$1,200,000.00 . 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).

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.
 Breach of warranties - see attached

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate: If the claim is secured by the debtor's principal 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

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

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 8/14/2020
MM / DD / YYYY



Signature

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

Name JAVIER ROCHA
First name Middle name Last name

Title GENERAL COUNSEL

Company WILKS BROTHERS
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 301 E. 18th Street
Number Street

CUSD TX 76437
City State ZIP Code Country

Contact phone 817-850-3614 Email javier.rocha@wilksbrothers.com

In re FB Industries USA Inc.
United States Bankruptcy Court
Southern District of Texas
Case No. 20-33513

ATTACHMENT TO PROOF OF CLAIM

1. Claimant: Cisco Logistics, LLC (the “**Creditor**”).
2. Debtor: FB Industries USA Inc. (the “**Debtor**”) is the debtor in the above-captioned bankruptcy case (the “**Bankruptcy Case**”).
3. Claim: Creditor’s claim against the Debtor arises from the pending litigation described in the original petition attached hereto as **Exhibit A**. The litigation is currently stayed against the Debtor pursuant to 11 USC 362(a). The basis for the litigation (as described in **Exhibit A**) supporting this Proof of Claim is expressly incorporated herein as if set forth verbatim.
4. Reservation of Rights: This Proof of Claim is filed out of compulsion of the claims bar date established in this Bankruptcy Case. This Proof of Claim is filed to preserve all of the Creditor’s rights to collect the indebtedness owed by the Debtor to the Creditor. The Creditor hereby expressly reserves all rights to file the appropriate papers and comply with the appropriate procedures for allowance, amendment, supplementation, modification, and collection of the Creditor’s claim against the Debtor based on the subject matter described in and incorporated into this Proof of Claim in due course and timing of the Debtor’s Bankruptcy Case, including, without limitation, amendment of this Proof of Claim, if required.
5. Credits: All due and lawful offsets and credits have been applied and deducted for the purpose of preparing this Proof of Claim.
6. Other Rights: The Claim described in this Attachment is legal, binding, enforceable, allowed, and not subject to any defense, claim, counterclaim or any other diminution of any type, kind or nature, whatsoever. No portion of the Claim or any funds

In re FB Industries USA Inc.
United States Bankruptcy Court
Southern District of Texas
Case No. 20-33513

previously paid to the Creditor (if any) are subject to impairment, avoidance, subordination, or disallowance pursuant to the Bankruptcy Code (including, without limitation, Bankruptcy Code § 502) or applicable non-bankruptcy law. Creditor expressly reserves the right in the future to assert any and all claims that it may have arising from and/or related to the subject matter of this timely and properly filed Proof of Claim, including, without limitation, the imposition of a constructive trust, equitable lien, security interest, setoff, recoupment, subrogation, marshaling, or other legal or equitable remedies to which the Creditor may be entitled. The Creditor additionally claims the benefit of (a) all adequate-protection security interests, liens, mortgages, and other rights and protections granted to it or received by it from and after the Petition Date by operation of law, orders of this Court, or otherwise; (b) all renewals, extensions, ratifications, supplements, amendments, corrections, and other prior or subsequent documentation evidencing or relating to the claims of Creditor; and (c) any other filed or recorded documents. The filing of this proof of claim is not to be construed as an election of remedies. Creditor further reserves the rights (a) to amend, modify or supplement this proof of claim, including any exhibit, schedule or annex, or to file an amended proof of claim for the purpose of modifying or liquidating the amount of any interest, fees, costs and expenses accrued or incurred subsequent to the Petition Date or any contingent, disputed or unliquidated claims or rights of Creditor set forth herein; (b) file additional proofs of claim; and (c) against third parties.

In re FB Industries USA Inc.
United States Bankruptcy Court
Southern District of Texas
Case No. 20-33513

7. Miscellaneous: This proof of claim is filed under compulsion of the bar date established in this bankruptcy case solely out of an abundance of caution to protect Creditor from forfeiture of its claim within this bankruptcy proceeding. The amounts set forth in this proof of claim shall not be construed as an admission by the Creditor as to the amounts due and owing outside of this bankruptcy proceeding. The filing of this proof of claim is **not**: (a) a waiver or release of Creditor's rights or remedies against any person, entity or property; (b) a consent by Creditor to the jurisdiction of this Court with respect to the subject matter of the claim or any objection or other proceeding commenced in this bankruptcy case against or otherwise involving Creditor; (c) a consent by Creditor to entry of final judgment by this Court in any core proceeding commenced in this bankruptcy case, consistent with the United States Supreme Court's holding in *Stern v. Marshall*, 131 S. Ct. 2594 (2011); (d) a waiver of the right to move to withdraw the reference or otherwise challenge the jurisdiction of this Court; (e) a waiver of the right to a jury trial; (f) an election of a remedy which waives or otherwise affects any other remedy; or (g) a wavier of the right to assert a different or enhanced classification of priority for its Claim in respect of the other claims asserted in this bankruptcy case.

CAUSE NO. CV2045726

**Exhibit A to
Proof of Claim**

CISCO LOGISTICS, LLC

Plaintiff,

vs.

FB INDUSTRIES INC. AND FB
INDUSTRIES USA INC.

Defendant.

§
§
§
§
§
§
§
§

IN THE DISTRICT COURT

____ JUDICIAL DISTRICT

EASTLAND COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION AND REQUEST FOR DISCLOSURE

Plaintiff Cisco Logistics, LLC (“Cisco” or “Plaintiff”) files this Original Petition and Request for Disclosure against Defendants FB Industries, Inc. (“FB”) and FB Industries USA Inc. (“FB USA”) and respectfully shows the Court the following:

I. SUMMARY OF CASE

1. Cisco purchased ten new Titan SS-280 sand silo sets (“Silo Sets”), fourteen new SST50P sand silo trailers (“Trailers”), and ten new Cobra conveyor systems (“Conveyor Systems”) from FB (collectively, the “Equipment”) for approximately \$15.7 million. However, the Equipment was not new, did not function reliably, and was not in the condition warranted by FB. For example, the Trailers were routinely broke down during ordinary use. Similarly, the Silo Sets and Conveyor Systems routinely ceased functioning or, alternatively, dispensed and transferred sand irregularly—to the point that they cannot be used by Cisco on job sites. Despite notice and numerous demands to FB USA (FB’s service company) that FB cure the aforementioned issues, the Silo Sets and Conveyor Systems continue to fail to perform their intended purposes. In additional to the \$15.7 million paid for this faulty equipment, Cisco has lost tens of millions of dollars in revenue.

II. DISCOVERY LEVEL

2. Pursuant to Texas Rule of Civil Procedure 190.3, Cisco intends to conduct discovery under a Level 2 discovery control plan and affirmatively pleads that this suit is not governed by the expedited actions process in Texas Rule of Civil Procedure 169 because this is an action that seeks monetary relief in excess of \$100,000.

III. CLAIM FOR RELIEF

3. Subject to discovery, Cisco seeks monetary relief over \$1,000,000 and reasonable attorneys' fees, expenses, court costs, and pre- and post-judgment interest.

IV. PARTIES

4. Plaintiff Cisco Logistics, LLC is a Texas limited liability company with its principal place of business in Cisco, Texas.

5. Defendant FB Industries, Inc. is a Canadian corporation with its principal offices located in Winkler, Manitoba, Canada and may be served with process through the Hague Convention.

6. Defendant FB Industries USA Inc. is a Texas incorporation with its principal place of business at 1330 Post Oak Boulevard, Suite 600, Houston, Texas 77056 and may be served with process by serving its registered agent, C T Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201.

IV. JURISDICTION AND VENUE

6. This Court has jurisdiction over this case as the amount in controversy is within the jurisdictional limits of this Court.

7. This Court has personal jurisdiction over FB because it conducts business in Texas and purposely availed itself of the benefits and protections of Texas law by offering the Equipment for sale to a Texas corporation, selling the Equipment to a Texas corporation, and

delivering the Equipment to the State of Texas. As a result, this Court has specific jurisdiction over the allegations and claims in this lawsuit.

8. Venue in this action is proper pursuant to Texas Civil Practice and Remedies Code Section 15.002(a)(1) because Eastland County, Texas is the county in which all or a substantial part of the events or omissions giving rise to the claim occurred. Because there are multiple defendants in this suit and venue is proper as to one Defendant, venue is proper for all Defendants pursuant to Texas Civil Practice and Remedies Code Section 15.005.

V. FACTS

8. Cisco is a company dedicated to providing world class service to the oil and gas industry throughout the United States. Cisco's business includes delivering and leasing sand silos for use at oil and gas drilling locations. These sand silos and conveyors store and dispense sand to be used in hydraulic fracturing.

9. In or around October 2016, Mark Holland of FB contacted Aaron Smith of ProFrac Services, LLC ("ProFrac")—a Cisco sister-company that specializes in providing hydraulic fracturing services—to set up an in-person meeting to discuss FB's "new" Titan SS-280 sand silos and Cobra conveyor systems (which incorporate a "new technology and sand delivery system") in an effort to convince ProFrac to purchase the same. Email (Oct. 26, 2016), attached as Exhibit 1. That meeting occurred on or around November 3, 2020. *Id.*

10. During the meeting Holland touted FB's "latest technology concerning on-site delivery of sand and proppants" and represented that the new technology "can add value to [ProFrac's] sand delivery system." Email (Nov. 8, 2016), attached as Exhibit 2. Holland proposed that ProFrac meet at FB's offices in Granbury, Texas for a demonstration of this "new technology." *Id.* Mr. Smith forwarded the email to ProFrac CEO, Ladd Wilks, who attended the demonstration on or around November 10, 2016. *Id.*

11. At the time, Mr. Wilks was not ready to purchase the Titan SS-280 sand silos and Cobra conveyer systems, but remained interested in purchasing the same at a future date.

12. Mr. Wilks is also the CEO of Cisco. In early to mid-2017, Cisco decided to begin delivering and leasing sand silo systems for use at oil and gas sites. Based on the aforementioned demonstration, Mr. Wilks requested that Kolby Melton of Cisco contact FB about obtaining a quote for the new silo system.

13. In response, on June 7, 2017, Mr. Melton contacted Randal Gentry of FB Industries, Inc. (USA)—FB’s sister company—to obtain a quote. Email (June 7, 2017), attached as Exhibit 3. Gentry forwarded the email to Holland and asked him to contact Mr. Kilby “asap.” *Id.* Mr. Kilby responded by asking for a call “right away” and a six silo package quote “quickly.” *Id.*

14. A couple hours later, Holland emailed Mr. Kilby a quote for approximately \$1.78 million for Cisco to purchase a SS-280 sand silo set, a Cobra conveyer system, and two SST50P trailers. Email (June 7, 2017), attached as Exhibit 4. After FB and Cisco conducted numerous discussions about Cisco’s required specifications and use, the quote was revised to reflect a purchase of five SS-280 sand silo sets, ten SST50P trailers, and five Cobra conveyer systems at a price of approximately \$7.58 million. Email (June 13, 2017), attached as Exhibit 5. Ultimately, FB issued a final quote for five SS-280 sand silo sets, three SST50P trailers, and five Cobra conveyer systems at a price of approximately \$6.9 million (“First Purchase”). Email (July 2, 2017), attached as Exhibit 6; Email (July 13, 2017), attached as Exhibit 7. Cisco fully paid the amounts due for the First Purchase.

15. Prior to First Purchase’s delivery, Cisco agreed to purchase an additional five SS-280 sand silo sets, seven SST50P trailers, and five conveyer systems at a price of approximately

\$8.8 million (“Second Purchase”). Email (Sept. 1, 2017), attached as Exhibit 8; Email (Oct. 6, 2017), attached as Exhibit 9. Cisco fully paid the amounts due for the Second Purchase.

16. FB began delivering the Equipment in October 2017. Contrary to FB’s express representations, the Trailers were not in new condition, including several that had faulty components and required the hydraulic pump and blocks to be replaced. *E.g.*, Email (Dec. 20, 2017), attached as Exhibit 10. The Silo Sets and Conveyors also broke down repeatedly, failing to function as represented or otherwise fulfill their functional purposes (i.e., reliably and evenly dispense and transfer sand). Email (Nov. 24, 2017), attached as Exhibit 11. Despite Cisco’s complaints and FB USA’s (FB’s servicing arm) attempts to repair the same, the issues with the Equipment continued. FB USA charged Cisco for some of these repairs and/or modifications to the Equipment. Eventually, FB ceased repairs, leaving Cisco with no other option but to remove the Equipment from the field and preventing Cisco from leasing the Equipment to its customers. The failure of the equipment to properly function caused Cisco to lose millions of dollars in firm revenue.

17. On January 23, 2020, Cisco afforded FB one last opportunity to cure its breaches of express and implied warranties. FB failed to cure. Cisco is left with no other option but to commence this litigation.

VI. CAUSES OF ACTION

A. Count 1: Breach of Express Warranties (FB)

18. Cisco incorporate the preceding paragraphs as if set forth fully herein.

19. FB sold Cisco the Equipment. In so doing, FB represented (orally and by demonstration) that the Equipment would be in new condition and able to dispense and transfer sand. Absent

affirmative representations and assurances of FB, Cisco would not have purchased the Equipment.

20. Despite those representations and demonstrations, the Equipment was not in new condition (as to the Trailers), and the Equipment repeatedly failed to properly function and was routinely in need of repair.

21. Cisco provided FB with numerous notices of FB's breaches of express warranties. Despite numerous notices and opportunities, FB failed to cure. Therefore, Cisco has been damaged and seeks actual damages, incidental and consequential damages, reasonable attorneys' fees, interest, court costs, and pre- and post-judgment interest.

B. Count 2: Breach of Implied Warranties of Fitness for a Particular Purpose (FB)

21. Cisco incorporate the preceding paragraphs as if set forth fully herein.

22. FB sold Cisco the Equipment. FB knew that Cisco was buying the Equipment for use at oil and gas job sites as part of Cisco's business. As evidenced by the numerous discussions and demonstrations of the Equipment, FB knew that Cisco was relying on FB's skill and judgment to provide equipment that would fit this purpose.

23. Despite this knowledge, FB delivered Equipment that was not fit for this particular purpose. The Trailers, Silo Sets, and Conveyors repeatedly failed to properly function and were routinely in need of constant repair.

24. Because of this non-conformance, Cisco was forced to remove the Equipment from the field, therefore depriving Cisco of the Equipment, its use, and attendant lease revenue. Thus, Cisco has been damaged and seeks recovery of damages, lost profits, punitive damages, court costs, and pre- and post-judgment interest.

Count 3: Breach of Implied Warranty of Good & Workmanlike Services (FB USA)

25. Cisco incorporate the preceding paragraphs as if set forth fully herein.

26. FB USA sold services to Cisco to repair and/or modify the Equipment. FB USA did not make these repairs in a good and workmanlike manner.

27. Because of this failure, Cisco was forced to remove the Equipment from the field, therefore depriving Cisco of the Equipment, its use, and attendant lease revenue. Thus, Cisco has been damaged and seeks recovery of damages, lost profits, punitive damages, court costs, and pre- and post-judgment interest.

VII. ATTORNEYS' FEES

28. Cisco seeks recovery of its reasonable attorneys' fees as allowed by Texas Civil Practices and Remedies Chapter 38 and applicable law and in equity.

VIII. CONDITIONS PRECEDENT

29. All conditions precedent to Cisco's claims for relief have been performed.

X. REQUEST FOR DISCLOSURE

30. Under Rule 194 of the Texas Rules of Civil Procedure, Cisco requests that FB disclose within fifty (50) days of service of this request, the information or material described in Rule 194.2(a)-(1).

XI. PRAAYER FOR RELIEF

For the reasons set forth above, Cisco respectfully prays that FB and FB USA be cited to appear and answer, and that this Court enter judgment on each of the claims in favor of Cisco and against FB and FB USA as follows:

- a) An award of actual, incidental, and consequential damages;
- b) An award of exemplary damages;
- c) Reasonable attorneys' fees and costs through entry of final judgment in

this action;

- d) Pre- and post-judgment interest; and
- e) Any other relief to which the Court finds proper or to which Plaintiff may show itself justly entitled.

Respectfully submitted,

/s/ Robert T. Slovak

Robert T. Slovak

Texas Bar No. 24013523

rslovak@foley.com

Brandon C. Marx

Texas State Bar No. 24098046

bmarx@foley.com

Foley & Lardner LLP

2021 McKinney Avenue, Suite 1600

Dallas, Texas 75201

(214) 999-3000 (telephone)

(214) 999-4667 (facsimile)

ATTORNEYS FOR PLAINTIFF

EXHIBIT 1

From: [Aaron Smith](#)
To: [Mark Holland](#)
Subject: RE: (EXTERNAL) Frac Sand dust suppression systems and controls; FB Industries Inc.
Date: Monday, October 31, 2016 3:47:00 PM
Attachments: [~WRD000.jpg](#)
[image002.png](#)
[image003.png](#)

I'm good on Thursday, let me know when you have time.

Thanks,

AARON SMITH

Materials Manager

ProFrac



777 Main Street Suite 3900
Fort Worth TX 76102
Cell: 254-334-8160
Office: 817-693-2804
asmith@profrac.com
www.profrac.com

From: Mark Holland [mailto:markh@fbindustriesinc.com]
Sent: Wednesday, October 26, 2016 3:19 PM
To: Aaron Smith <asmith@profrac.com>
Subject: (EXTERNAL) Frac Sand dust suppression systems and controls; FB Industries Inc.

Hello Aaron,

I am with FB Industries and we supply Pioneer all of their Sand Silos for on location sand storage. We have a new Frac Sand system that incorporates a new delivery system with integral dust control engineering controls.

I will be in FTW next week and would like to stop in and review the new technology and sand delivery system with you, Do you have a few minutes for me Wed/Thurs (3 or 4 – Nov) of next week?

Thanks and Regards...

Mark Holland



FB Industries Inc. | 7710-T Cherry Park Dr.
Suite 602 | Houston, TX 77095
Cell: 817-219-9649 | Ph: 204-325-7337
www.fbindustriesinc.com



This email has been checked for viruses by Avast antivirus software.
www.avast.com

EXHIBIT 2

From: [Ladd Wilks](#)
To: [Aaron Smith](#)
Subject: Re: (EXTERNAL) Re: MHolland; FB Industries demo in Granbury - possible 10-Nov; Thursday.
Date: Tuesday, November 8, 2016 12:39:52 PM
Attachments: [~WRD000.jpg](#)

Yes except I have a meeting at 9:00 in Cisco. I could do the afternoon.

Best Regards,

Ladd Wilks
Cell- 817-819-0833
Office- 817-850-3600

On Nov 8, 2016, at 11:33 AM, Aaron Smith <asmith@profrac.com> wrote:

Good morning Ladd-
You're probably familiar with these guys already....it's the same system Pioneer uses on their frac jobs. Would you be available/interested in seeing a demo on Thursday in Granbury?

Aaron

From: Mark Holland [<mailto:markh@fbindustriesinc.com>]
Sent: Tuesday, November 08, 2016 11:12 AM
To: Aaron Smith <asmith@profrac.com>
Subject: (EXTERNAL) Re: MHolland; FB Industries demo in Granbury - possible 10-Nov; Thursday.

Hello Aaron,
Any way you guys could meet us over in Granbury this Thurs to see a demo of our frac sand silo system?

Our president, Henry Friesen is in town and would like to have him meet your team during his trip this week.

Does this work for you and rest of your team?
Thank you.....Mark Holland
FB Industries - Global Sales
817.219.9649

Sent from my iPhone

On Nov 4, 2016, at 4:26 PM, Mark Holland <markh@fbindustriesinc.com> wrote:

Hello Aaron,
Just a quick note to thank you for spending time with me discussing our

latest technology concerning on-site delivery of sand and proppants. We believe we can add value to your sand delivery system and decrease the dust generated on location.

Could you see if this coming week is a good time for you and your team. Does this coming Thurs (10-Nov) mid-morning work for you? If so, please so advise.

Thanks and Bes Regards.

Mark Holland

<image001.png>

FB Industries Inc. | 7710-T Cherry Park Dr.

Suite 602 | Houston, TX 77095

Cell: 817-219-9649 | Ph: 204-325-7337

www.fbindustriesinc.com

<~WRD000.jpg>

This email has been checked for viruses by
Avast antivirus software.

www.avast.com

EXHIBIT 3

From: [Kolby Melton](#)
To: [Henry Friesen](#); [Randal Gentry](#); [MHolland](#)
Cc: [Jon Doell](#); tyler@fbindustriesinc.com
Subject: RE: (EXTERNAL) Re: RFQ
Date: Wednesday, June 7, 2017 12:41:00 PM

Good Afternoon,

Would it be possible to call me right away. I need to get a quote for a six silo package quickly. For now a verbal quote will do.

Thanks,

-----Original Message-----

From: Henry Friesen [<mailto:henry@fbindustriesinc.com>]
Sent: Wednesday, June 07, 2017 12:05 PM
To: Randal Gentry <randalg@fbindustriesincusa.com>; MHolland <markh@fbindustriesinc.com>
Cc: Kolby Melton <kmelton@ciscologistics.com>; Jon Doell <jon@fbindustriesinc.com>;
tyler@fbindustriesinc.com
Subject: (EXTERNAL) Re: RFQ

Mark

Can you please reach out to Kilby asap?

Henry

Sent from my iPhone

> On Jun 7, 2017, at 9:17 AM, Randal Gentry <randalg@fbindustriesincusa.com> wrote:
>
> Gentlemen,
> I'm introducing in Kolby Melton w/ Cisco logistics whom is looking for a quote for a silo package.
> --
> Randal Gentry Shop Supervisor FB Industries Inc. USA 223 Industrial Granbury ,TX 76048

EXHIBIT 4

From: [Mark Holland](#)
To: [Kolby Melton](#)
Subject: (EXTERNAL) Fwd: Cisco Logistics SS280 Quote
Date: Wednesday, June 7, 2017 2:03:32 PM
Attachments: [image001.png](#)
[170607 Cisco SS280 Quote 611.pdf](#)

Hello Kolby

Here is the quotation for a 6 pak of Sand Silos. Please let me know if you have any questions.

Thank you and Regards

Mark Holland

817.219.9649 - M.

Sent from my iPhone

Begin forwarded message:

From: "Jon Doell" <jon@fbindustriesinc.com>
Date: June 7, 2017 at 1:36:22 PM CDT
To: "'MHolland'" <markh@fbindustriesinc.com>
Cc: "'Tyler Friesen'" <tyler@fbindustriesinc.com>, "'Henry Friesen'" <henry@fbindustriesinc.com>
Subject: Cisco Logistics SS280 Quote

Mark,

Attached is a quote for Cisco.

Best regards,

Jon Doell



FB Industries Inc.
555 George Ave.
Box 449
Winkler, MB
R6W 4A6
PH: 204-325-7337
Fax: 204-331-1528
Cell: 204-332-3320

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this

e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 611
Date: 06/06/2017
Page: 1
Ship Date:

Sold To:

ClSCO Logistics
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

ClSCO Logistics
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
SST50P	6	Each	SS-280 Sand Silo - 280 14' Diameter Silo Includes: Electrical Cords & Ends Standard Endura Paint System 2 - 4" Fill Tubes Center Cone Discharge Under-Silo Conveyor Fully-Enclosed Conveyor		162,500.00		162,500.00	US\$975,000.00
	6	Each	Level Measuring System Includes: Guided-Wave System Visual Representation of Silo Sand Level		8,900.00		8,900.00	US\$53,400.00
	6	Each	Dust Collection System Includes: Donaldson CPV-6		15,950.00		15,950.00	US\$95,700.00
	2	Each	Sand Silo Trailer Complete with Power Pack Includes: LED Lights DOT Approved Silo Grapple System Hydraulics on Back of Trailer Hydraulic Power Pack for SST50P 38HP Diesel Engine 60 Gallon Oil Reservoir Electric Start		167,000.00		167,000.00	US\$334,000.00
	1	Each	Cobra Conveyor System Includes: Trailer Mounted Conveyor System Control Panel to Operate Conveyors and Silos 480 Volt 3 Phase Power System 36" Belt		325,000.00		325,000.00	US\$325,000.00

Comments

Continued...

FB Industries Inc.

555 George Avenue
 Winkler, Manitoba R6W 4A6
 Canada

QUOTE

Quote No.: 611
 Date: 06/06/2017
 Page: 2
 Ship Date:

Sold To:

Cisco Logistics
 12219 IH-20
 Cisco, Texas 76437
 USA

Ship To:

Cisco Logistics
 12219 IH-20
 Cisco, Texas 76437
 USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
			Quote included a technician supplied by FB Industries on the first 6-pack of silos to train operator for system operation, mobilization and de-mobilization All Applicable Taxes Extra F.O.B. Granbury Texas Delivery begins approximately 14 weeks after receipt of down payment Terms: 1/3 down, 1/3 when first silo reaches paint, 1/3 on completion This price is held for 10 days only Subtotal:					US\$1,783,100.00
Shipped by							Total Amount	US\$1,783,100.00
Comments								
Sold By:								

EXHIBIT 5

From: [MHolland](#)
To: [Ladd Wilks](#); [Sean Mosher](#)
Cc: ["Henry Friesen"](#); ["Jon Doell"](#); ["Tyler Friesen"](#)
Subject: (EXTERNAL) RE: (EXTERNAL) RE: (EXTERNAL) RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf
Date: Tuesday, June 13, 2017 1:47:49 PM
Attachments: [image001.png](#)
[170613_Cisco_5_x_SS280_Quote_617.pdf](#)

Ladd,

You are correct, thanks for the note. Attached, you will find the revised quotation from the last discussion we had with Henry.

I will be meeting James at our yard in Granbury, TX tomm AM.

Please advise on your timing of the needed silos for your spread roll-out.

Thank you and Best Regards,

Mark Holland



From: Ladd Wilks [mailto:ladd@wilksbrothers.com]
Sent: Monday, June 12, 2017 6:31 PM
To: MHolland <markh@fbindustriesinc.com>
Cc: Sean Mosher <smosher@ciscologistics.com>
Subject: Re: (EXTERNAL) RE: (EXTERNAL) RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Mark,

The way I understood Henry is he took an additional \$150k off of where we were at \$7,725,000. Putting us at \$7,575,000.

Is that not correct?

Best Regards,

Ladd Wilks
Cell- 817-819-0833
Office- 817-850-3600

On Jun 12, 2017, at 6:23 PM, MHolland <markh@fbindustriesinc.com> wrote:

Hello Sean

Here is a revised pricing quotation for your review and follow-up discussion. This reflects the additional discount that Henry mentioned on last Friday.

Would like to call in AM to finalize the deal and expectations for delivery. Does that

work for you? What's a good time for a call tomm?

Thank you and Regards,

Mark Holland

<image001.png>

From: MHolland [<mailto:markh@fbindustriesinc.com>]
Sent: Friday, June 9, 2017 7:47 PM
To: 'Sean Mosher' <smosher@ciscologistics.com>; ladd@wilksbrothers.com
Cc: 'Henry Friesen' <henry@fbindustriesinc.com>; 'Tyler Friesen' <tyler@fbindustriesinc.com>; jon@fbindustriesinc.com
Subject: RE: (EXTERNAL) RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Sean

Thank you for arranging the meeting today for further discussions concerning the SS-280 Sand Silo packages. We are looking forward to working with the CISCO Logistics and ProFrac groups. Please see attached a final quotation for 5 sets of 280 Ton silos with conveyors and Scorpion erector trailers. We look forward to hearing back in the near future concerning this competitive pricing proposal.

Thank you and Best Regards,

Mark Holland

<image001.png>

From: Sean Mosher [<mailto:smosher@ciscologistics.com>]
Sent: Thursday, June 8, 2017 12:12 PM
To: 'MHolland' <markh@fbindustriesinc.com>
Subject: RE: (EXTERNAL) RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Thanks

From: MHolland [<mailto:markh@fbindustriesinc.com>]
Sent: Thursday, June 08, 2017 12:12 PM
To: Sean Mosher <smosher@ciscologistics.com>
Cc: Kolby Melton <kmelton@ciscologistics.com>
Subject: (EXTERNAL) RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

OK, looks like cost differential for the 230 Ton gravity-feed silos would only be ~\$1000 less per silo; so about \$6000 less per 6 pak.

I hope this helps for evaluation purposes.

Thank you.

Mark Holland

<image001.png>

From: MHolland [<mailto:markh@fbindustriesinc.com>]
Sent: Thursday, June 8, 2017 12:02 PM
To: 'Sean Mosher' <smosher@ciscologistics.com>
Cc: kmelton@ciscologistics.com
Subject: RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Sean,

We can modify the larger silos to accommodate the gravity feed system. The capacity would be approx. 230 Tons for that design. 2.7 Million lbs for 6 pak.

However, it would add 6 weeks to delivery, as we do not have this system currently in final design. But we can put this design together for you guys, if that's what you want.

Additionally, we are happy to train your logistics group at our yard in Granbury until they have mastered the set-up/take-down of the silos in a controlled environment. How does this sound to you?

Thank you and Regards,

Mark Holland

<image001.png>

From: Sean Mosher [<mailto:smosher@ciscologistics.com>]
Sent: Thursday, June 8, 2017 9:56 AM
To: 'MHolland' <markh@fbindustriesinc.com>
Subject: RE: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Would removing the additional belt and gravity feeding on the 280 save any \$\$?

From: MHolland [<mailto:markh@fbindustriesinc.com>]
Sent: Thursday, June 08, 2017 9:36 AM
To: Sean Mosher <smosher@ciscologistics.com>
Subject: (EXTERNAL) FW: 170607_Cisco_5_x_SS280_Quote_612.pdf

Hey Sean,

Sorry I did not copy you on this last night. Here is some pictures of the smaller gravity-feed sand silos (190 Ton). Also a brochure of technical specifications on the 280 Ton Sand Silo system.

Thank you and Regards,

Mark Holland

<image001.png>

From: MHolland [<mailto:markh@fbindustriesinc.com>]

Sent: Wednesday, June 7, 2017 11:21 PM

To: kmelton@ciscologistics.com

Subject: 170607_Cisco_5_x_SS280_Quote_612.pdf

Kolby

Here are a few pictures of the 190 Ton system gravity feed system (even though it says 170 T). Also, I have attached some technical info for the 280 Ton system.

Hopefully, this lands atop the pile in the AM.

Thanks and Regards,

Mark Holland

<image001.png>

From: Mark Holland [<mailto:markh@fbindustriesinc.com>]

Sent: Wednesday, June 7, 2017 4:04 PM

To: Kolby Melton <kmelton@ciscologistics.com>

Subject: Re: (EXTERNAL) 170607_Cisco_5_x_SS280_Quote_612.pdf

Kolby

Proposed delivery schedule is 14 weeks for first 6-pack, and then a 6-pack every 2 weeks after.

Please advise if questions.

Thanks.....MHolland

Sent from my iPhone

On Jun 7, 2017, at 2:44 PM, Kolby Melton <kmelton@ciscologistics.com> wrote:

Thanks for the quick response.

Thanks,

<image002.png>

From: Mark Holland [<mailto:markh@fbindustriesinc.com>]

Sent: Wednesday, June 07, 2017 2:24 PM

To: Kolby Melton <kmelton@ciscologistics.com>

Subject: (EXTERNAL) 170607_Cisco_5_x_SS280_Quote_612.pdf

Hey Kolby

Here is the quotation for 5 sets of 6 (ea) paks. Please advise if questions.

Best Regards.....MHolland

817.219.9649

Sent from my iPhone

 Virus-free. www.avast.com

<170612_Cisco_5_x_SS280_Quote_612.pdf>

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 617
Date: 06/13/2017
Page: 1
Ship Date:

Sold To:

Clisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Clisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
SST50P	30	Each	SS-280 Sand Silo - 280 14' Diameter Silo Includes: Electrical Cords & Ends Standard Endura Paint System 2 - 4" Fill Tubes Center Cone Discharge Under-Silo Conveyor Fully-Enclosed Conveyor		158,000.00		158,000.00	US\$4,740,000.00
	30	Each	Level Measuring System Includes: Guided-Wave System Visual Representation of Silo Sand Level		8,900.00		8,900.00	US\$267,000.00
	30	Each	Dust Collection System Includes: Donaldson CPV-6		15,950.00		15,950.00	US\$478,500.00
	7	Each	Sand Silo Trailer Complete with Power Pack Includes: LED Lights DOT Approved Silo Grapple System Hydraulics on Back of Trailer Hydraulic Power Pack for SST50P 38HP Diesel Engine 60 Gallon Oil Reservoir Electric Start		167,000.00		167,000.00	US\$1,169,000.00
	5	Each	Cobra Conveyor System Includes: Trailer Mounted Conveyor System Control Panel to Operate Conveyors and Silos 480 Volt 3 Phase Power System 36" Belt		300,000.00		300,000.00	US\$1,500,000.00
	5	Each	First Time Buyer Discount		-82,500.00		-82,500.00	-US\$412,500.00
	1	Each	First Time Trailer Discount		-167,000.00		-167,000.00	-US\$167,000.00

Comments

Continued...

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 617
Date: 06/13/2017
Page: 2
Ship Date:

Sold To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
			Quote included a technician supplied by FB Industries on the first 6-pack of silos to train operator for system operation, mobilization and de-mobilization All Applicable Taxes Extra F.O.B. Granbury Texas Delivery begins approximately 14 weeks after receipt of down payment Terms: 50% down, 25% when first silo of third 6-pack reaches paint, 25% on completion This price is held for 10 days only Subtotal:					US\$7,575,000.00
Shipped by							Total Amount	US\$7,575,000.00
Comments								
Sold By:								

EXHIBIT 6

From: [Henry Friesen](#)
To: [Sean Mosher](#)
Cc: [Ladd Wilks](#); [Derek Loewen](#); [Tyler Friesen](#); [Mark Holland](#); [Jon Doell](#); [Eileen Taylor](#)
Subject: (EXTERNAL) Re: (EXTERNAL) Re: Cisco Logistics logo
Date: Sunday, July 2, 2017 7:21:13 PM
Attachments: [attachment 1.pdf](#)

All

Attached is a quote with 4 less trailers as requested.

Please let us know if you need anything else.

Thanks so much for working with us.

Henry

Sent from my iPhone

On Jun 30, 2017, at 5:40 PM, Sean Mosher <smosher@ciscologistics.com> wrote:

Henry,

We are ready to move for and issue a PO. Do you have a moment to talk this evening?

Sean

From: Ladd Wilks
Sent: Friday, June 23, 2017 5:29 PM
To: Henry Friesen <henry@fbindustriesinc.com>; Derek Loewen <derekl@fbindustriesinc.com>
Cc: Tyler Friesen <tyler@fbindustriesinc.com>; Mark Holland <markh@fbindustriesinc.com>; Jon Doell <jon@fbindustriesinc.com>; Eileen Taylor <etaylor@wilksbrothers.com>; Sean Mosher <smosher@ciscologistics.com>
Subject: RE: (EXTERNAL) Re: Cisco Logistics logo

Henry,

Silo mock up 1 looks great! Thanks guys have a great weekend.

<image001.jpg>

From: Henry Friesen [<mailto:henry@fbindustriesinc.com>]
Sent: Friday, June 23, 2017 2:31 PM
To: Derek Loewen <derekl@fbindustriesinc.com>
Cc: Tyler Friesen <tyler@fbindustriesinc.com>; Ladd Wilks <ladd@wilksbrothers.com>;

Mark Holland <markh@fbindustriesinc.com>; Jon Doell <jon@fbindustriesinc.com>

Subject: (EXTERNAL) Re: Cisco Logistics logo

Thank you.

Your thought Ladd?

Henry

Sent from my iPhone

On Jun 23, 2017, at 2:15 PM, Derek Loewen <derekl@fbindustriesinc.com> wrote:

See attached for a couple logo/paint options:

Derek Loewen
Media Design & Development



FB Industries Inc.
Box 449
Winkler, MB
R6W 4A6
Phone: [204-325-7337](tel:204-325-7337)
Cell: [204-362-7958](tel:204-362-7958)
www.fbindustriesinc.com

On Fri, Jun 23, 2017 at 8:53 AM, Henry Friesen <henry@fbindustriesinc.com> wrote:

Tyler.

Can you and your team do a few mock ups using a white tank then maybe a few options with a blue band at the top.

Maybe one about 3' and a 6'.

Then place their logo below.

SS280

Henry

Sent from my iPhone

Begin forwarded message:

From: Eileen Taylor <etaylor@wilksbrothers.com>

Date: June 23, 2017 at 8:31:44 AM CDT

To: "henry@fbindustriesinc.com"

[<henry@fbindustriesinc.com>](mailto:henry@fbindustriesinc.com)

Subject: Cisco Logistics logo

Good morning,

Ladd has asked me to send you our logo.
Please see attached. Let me know if you need anything
else.

Thank you,

[<image001.jpg>](image001.jpg)

[<blueLogobmp_Page2.bmp>](blueLogobmp_Page2.bmp)

[<Cisco SS-280 Silo Mockup 1.jpg>](Cisco SS-280 Silo Mockup 1.jpg)

[<Cisco SS-280 Silo Mockup 2.jpg>](Cisco SS-280 Silo Mockup 2.jpg)

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 640
Date: 06/30/2017
Page: 1
Ship Date:

Sold To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
	30	Each	SS-280 Sand Silo - 280 14' Diameter Silo Includes: Electrical Cords & Ends Standard Endura Paint System 2 - 4" Fill Tubes Center Cone Discharge Under-Silo Conveyor Fully-Enclosed Conveyor		158,000.00		158,000.00	US\$4,740,000.00
	30	Each	Level Measuring System Includes: Guided-Wave System Visual Representation of Silo Sand Level		8,900.00		8,900.00	US\$267,000.00
	30	Each	Dust Collection System Includes: Donaldson CPV-6		15,950.00		15,950.00	US\$478,500.00
SST50P	3	Each	Sand Silo Trailer Complete with Power Pack Includes: LED Lights DOT Approved Silo Grapple System Hydraulics on Back of Trailer Hydraulic Power Pack for SST50P 38HP Diesel Engine 60 Gallon Oil Reservoir Electric Start		167,000.00		167,000.00	US\$501,000.00
	5	Each	Cobra Conveyor System Includes: Trailer Mounted Conveyor System Control Panel to Operate Conveyors and Silos 480 Volt 3 Phase Power System 36" Belt		300,000.00		300,000.00	US\$1,500,000.00
	5	Each	First Time Buyer Discount		-82,500.00		-82,500.00	-US\$412,500.00
	1	Each	First Time Trailer Discount		-167,000.00		-167,000.00	-US\$167,000.00

Comments

Continued...

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 640
Date: 06/30/2017
Page: 2
Ship Date:

Sold To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Cisco Logistics
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
			Quote included a technician supplied by FB Industries on the first 6-pack of silos to train operator for system operation, mobilization and de-mobilization					
			All Applicable Taxes Extra F.O.B. Granbury Texas Delivery begins approximately 14 weeks after receipt of down payment					
			Terms: 50% down, 25% when first silo of third 6-pack reaches paint, 25% on completion This price is held for 10 days only					
			Subtotal:					US\$6,907,000.00
Shipped by							Total Amount	US\$6,907,000.00
Comments								
Sold By:								

EXHIBIT 7

From: [Sean Mosher](#)
To: "Henry Friesen"
Cc: [Ladd Wilks](#); [Jon Doell](#)
Subject: RE: (EXTERNAL) FW: Cisco
Date: Thursday, July 13, 2017 11:19:00 AM
Attachments: [img20170713_11153872.pdf](#)
[image001.png](#)

Henry,

Please see attached PO to complete the purchase. The wire for the 40% will go out tomorrow morning 7/14/2017. Please let me know if you need anything further.

Sean

From: Henry Friesen [mailto:henry@fbindustriesinc.com]
Sent: Wednesday, July 12, 2017 9:45 AM
To: Sean Mosher <smosher@ciscologistics.com>
Cc: Ladd Wilks <ladd@wilksbrothers.com>; Jon Doell <jon@fbindustriesinc.com>
Subject: (EXTERNAL) FW: Cisco

From: Jon Doell [<mailto:jon@fbindustriesinc.com>]
Sent: Wednesday, July 12, 2017 8:34 AM
To: 'Henry Friesen'
Cc: 'Tyler Friesen'
Subject: Cisco

Henry, Quote at 40% down payment attached.

Best regards,

Jon Doell



FB Industries Inc.
555 George Ave.
Box 449
Winkler, MB
R6W 4A6
PH: 204-325-7337
Fax: 204-331-1528
Cell: 204-332-3320

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EXHIBIT 8

From: [Jon Doell](#)
To: [Sean Mosher](#)
Cc: henry@fbindustriesinc.com; tyler@fbindustriesinc.com
Subject: (EXTERNAL) FB Industries Silo & Atlas Quotes
Date: Friday, September 1, 2017 6:11:56 PM
Attachments: [image001.png](#)
[170901_Cisco_30_SS280_Quote_694.pdf](#)
[170901_Cisco_5_Atlas_Quote_695.pdf](#)

Good Afternoon Sean,

As per Henry's request, I have attached a quote for a further 5 six-packs of silos. These silos would be set-up to work with our Atlas conveyor system. We currently should be able to complete 1 six-pack every 2 weeks starting early 2018.

I have also added a quote for 5 Atlas conveyors. This is preliminary pricing, and is subject to change.

We are working on pricing on the hopper-bottom trailers, and should have something ready mid-next week.

Best regards,

Jon Doell



FB Industries Inc.
555 George Ave.
Box 449
Winkler, MB
R6W 4A6
PH: 204-325-7337
Fax: 204-331-1528
Cell: 204-332-3320

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FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 694
Date: 09/01/2017
Page: 1
Ship Date:

Sold To:

Cisco Logistics , LLC
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Cisco Logistics , LLC
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
	30	Each	SS-280 Sand Silo - 280 14' Diameter Silo Includes: Electrical Cords & Ends 2 - 4" Fill Tubes Center Cone Discharge Under-Silo Conveyor Fully-Enclosed Conveyor		159,900.00		159,900.00	US\$4,797,000. 00
	30	Each	Level Measuring System Includes: Guided-Wave System Visual Representation of Silo Sand Level		8,900.00		8,900.00	US\$267,000.00
	30	Each	Dust Collection System Includes: Donaldson CPV-6		15,950.00		15,950.00	US\$478,500.00
	30	Each	Top-Fill Conversion Kit Includes: Top Lid Assembly Silo Lid Control Panel Air & Electrical Lines		5,900.00		5,900.00	US\$177,000.00
SST50P	7	Each	Sand Silo Trailer Complete with Power Pack Includes: LED Lights DOT Approved Silo Grapple System Hydraulics on Back of Trailer Hydraulic Power Pack for SST50P 38HP Diesel Engine 60 Gallon Oil Reservoir Electric Start		174,500.00		174,500.00	US\$1,221,500. 00
	5	Each	Cobra Conveyor System Includes: Trailer Mounted Conveyor System Control Panel to Operate Conveyors and Silos 480 Volt 3 Phase Power System		375,000.00		375,000.00	US\$1,875,000. 00

Comments

Continued...

FB Industries Inc.

555 George Avenue
Winkler, Manitoba R6W 4A6
Canada

QUOTE

Quote No.: 694
Date: 09/01/2017
Page: 2
Ship Date:

Sold To:

Cisco Logistics , LLC
12219 IH-20
Cisco, Texas 76437
USA

Ship To:

Cisco Logistics , LLC
12219 IH-20
Cisco, Texas 76437
USA

Business No.:

Item No.	Quantity	Unit	Description	Tax	Base Price	Disc %	Unit Price	Amount
			36" Belt Quote included a technician supplied by FB Industries on the first 6-pack of silos to train operator for system operation, mobilization and de-mobilization All Applicable Taxes Extra F.O.B. Granbury Texas Delivery schedule to be provided Terms: 10% down, 30% activation payment, 30% when first silo of third 6-pack reaches paint, 30% on completion This price is held for 10 days only Subtotal:					US\$8,816,000.00
Shipped by							Total Amount	US\$8,816,000.00
Comments								
Sold By:								

EXHIBIT 9

From: [Shawn Strome](#)
To: [Sean Mosher](#)
Cc: johnf@fbindustriesinc.com; [Henry Friesen](#); [Jon Doell](#)
Subject: (EXTERNAL) Re: (EXTERNAL) Cisco Logistics Down payment & Activation payment invoice
Date: Friday, October 6, 2017 4:10:24 PM
Attachments: [image001.png](#)
[Cisco Trucking, LLC-PO#SM.pdf](#)

Please see attached revised invoice made to Cisco Trucking, LLC. Thanks

On Fri, Oct 6, 2017 at 4:06 PM, Sean Mosher <sean.mosher@ciscologistics.com> wrote:

John,

As we discussed yesterday, this needs to be made out to Cisco Trucking please.

From: johnf@fbindustriesinc.com [mailto:johnf@fbindustriesinc.com]
Sent: Friday, October 06, 2017 10:20 AM
To: Sean Mosher <sean.mosher@ciscologistics.com>; 'Henry Friesen' <henry@fbindustriesinc.com>; 'Jon Doell' <jon@fbindustriesinc.com>
Cc: 'Shawn Strome' <shawns@fbindustriesinc.com>
Subject: (EXTERNAL) Cisco Logistics Down payment & Activation payment invoice

Good morning Sean,

I have attached an invoice for down payment and activation for your next order. Please review and let us know if you have any questions. I have also attached our company wire transfer information. Finally, please send us an official PO, and let us know when the payment has been processed so we can activate the project on our end. Thank you again for your order, and we look forward to our continued work on these projects with you and your team.

Best Regards,

John Friesen



FB Industries Inc.

[555 George Ave.](#)

Box 449

Winkler, Manitoba, Canada

R6W 4A6

www.fbindustriesinc.com

Ph: [204 325 7337](tel:2043257337)

Fax: [204 331 1528](tel:2043311528)

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--

Shawn Strome



FB Industries Inc.

555 George Ave.

Box 449

Winkler, MB. Canada

R6W 4A6

PH: [204-325-7337](tel:2043257337)

Fax: [204-331-1528](tel:204-331-1528)

www.fbindustriesinc.com

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EXHIBIT 10

From: [Henry Friesen](#)
To: [Sean Mosher](#)
Cc: [Randal Gentry](#); [Steven Gentry](#); markh@fbindustriesinc.com; [Jon Doell](#); [James Loewen](#); [Tyler Friesen](#)
Subject: (EXTERNAL) RE: Scorpion
Date: Wednesday, December 20, 2017 5:32:16 PM

I would not except that.

We will make sure it gets a rework for sure.

Would you prefer to use it, then bring it to us at a later date and we di it then, or we can do it asap.

Whatever works best for you.

FB Team

The issue is the trailer looks bad, and we are asking them to sign off on it.

I am committing to Cisco that we have to make the trailer look good, not like its 5 years old.

Options are we get it back here and we get Cancade or Robbins in Fort Worth to repair cylinders and repaint the rust/worm areas to make it look nice.

Henry

-----Original Message-----

From: Sean Mosher [<mailto:sean.mosher@ciscologistics.com>]
Sent: Wednesday, December 20, 2017 4:34 PM
To: 'Henry Friesen'
Subject: FW: Scorpion

-----Original Message-----

From: Dustin Hamscher
Sent: Wednesday, December 20, 2017 4:30 PM
To: Sean Mosher <sean.mosher@ciscologistics.com>
Subject: Scorpion

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EXHIBIT 11

From: [Sean Mosher](#)
To: henry@fbindustriesinc.com; [Dustin Hamscher](#)
Subject: Silo down
Date: Friday, November 24, 2017 11:13:18 PM

Silo 3 auma motor has been out since Tuesday and we are having to manually open and close the door. Do you know why Steve went all the way to LA without a replacement in hand and then had to go all back Odessa to remove one from our other silos? Not having spare parts and this kind of slow repair time is not making me feel very confident. We have not sent one set of silos (BM included) to the field without major issues.

Regards,
Sean