

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

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

STIPULATION BETWEEN THE REORGANIZED DEBTORS AND CISCO LOGISTICS REGARDING REORGANIZED DEBTORS' OBJECTION TO PROOF OF CLAIM NO. 448 (CISCO LOGISTICS, LLC) [Relates to Docket No. 89]

WHEREAS, on August 14, 2020, Cisco Logistics, LLC filed proof of claim number 448 against debtor FB Industries USA Inc. asserting a general unsecured claim in the face amount of \$1,200,000 (the "Cisco Claim");

WHEREAS, the Cisco Claim arises from the pending litigation styled Cisco Logistics, LLC v. FB Industries Inc. and FB Industries USA, Inc., Cause No. CV2045726 pending in the District Court for Eastland County, Texas (the "Cisco Litigation");

WHEREAS, on September 23, 2020, the Court entered an order (the "Confirmation Order") [Case No. 20-33495, Docket No. 420] confirming the Joint Plan of Reorganization for Hi-Crush Inc. and its Affiliate Debtors under Chapter 11 of the Bankruptcy Code (as amended, modified, or supplemented, the "Plan");

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 this case.

3 Capitalized terms used but defined herein have the meanings given to them in the Plan.



**WHEREAS**, On October 9, 2020, the Plan was substantially consummated, and the Effective Date occurred;<sup>4</sup>

**WHEREAS**, Article VIII.A of the Plan authorizes the Reorganized Debtors to settle or compromise any Disputed Claim and to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court;

**WHEREAS**, on April 8, 2021, the Reorganized Debtors' filed the *Reorganized Debtors' Objection to Proof of Claim No. 448 (Cisco Logistics, LLC)* (the "**Cisco Objection**") [Docket No. 89], which sought to disallow the Cisco Claim on the basis that the Reorganized Debtors were not liable on the claims asserted in the Cisco Claim or the Cisco Litigation; and

**WHEREAS**, Cisco and the Reorganized Debtors have engaged in discussions and have reached an agreement on the resolution of the Cisco Claim, the Cisco Litigation, and the Cisco Objection.

**IT IS THEREFOR STIPULATED AND AGREED THAT,**

1. The Cisco Claim is allowed as a Class 5 General Unsecured Claim in the amount of \$1,200,000 in full and final satisfaction of all the claims asserted in the Cisco Litigation.
2. Cisco shall dismiss the Cisco Litigation with prejudice against all defendants.
3. Within five (5) business days of receiving evidence of dismissal of the Cisco Litigation with prejudice against all defendants, the Reorganized Debtors shall make the distribution on the Cisco Claim in accordance with the terms of the Plan.
4. The Reorganized Debtors and Cisco agree to negotiate in good faith a mutually agreeable sand supply agreement with Pro Frac Services, LLC to support Pro Frac Services, LLC's proppant needs in Pennsylvania, Ohio and West Virginia and such agreement may include access to the Reorganized Debtors' terminal network for third party sand deliveries.
5. The Reorganized Debtors hereby withdraw the Cisco Objection.

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<sup>4</sup> See Notice of (I) Effective Date of the Joint Plan or Reorganization for Hi-Crush Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code and (II) Establishing Deadline for the Filing of Administrative Claims Against the Debtors [Case No. 20-33495, Docket No. 452].

6. This stipulation applies only to the Cisco Objection and shall not be deemed to be a withdrawal of any other objections asserted by the Reorganized Debtors.

**STIPULATED AND AGREED TO BY:**

May 27, 2021

/s/ Philip M. Guffy

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