

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|-----------------------------------|---|---|
| In re: |) | Chapter 11 |
| |) | |
| |) | Case No. 19-10702 (MFW) |
| SOUTHCROSS ENERGY PARTNERS, L.P., |) | |
| <i>et al.</i> , |) | Jointly Administered |
| |) | |
| Reorganized Debtors. ¹ |) | |
| |) | Hearing Date: June 8, 2020 at 10:30 a.m. (ET) |
| |) | Response Deadline: May 22, 2020 at 4:00 p.m. (ET) |
| |) | |

REORGANIZED DEBTORS' THIRD OMNIBUS
OBJECTION (NON-SUBSTANTIVE) TO CERTAIN CLAIMS
PURSUANT TO 11 U.S.C. § 502, FED. R. BANKR. P. 3007, AND DEL. L.R. 3007-1
(EQUITY INTEREST CLAIMS)

* * *

TO THE CLAIMANTS LISTED IN EXHIBIT 1 ATTACHED TO THE PROPOSED ORDER (AS DEFINED HEREIN): YOUR RIGHTS MAY BE AFFECTED BY THIS OBJECTION AND BY ANY FURTHER OBJECTION(S) THAT MAY BE FILED BY THE REORGANIZED DEBTORS. THE RELIEF SOUGHT HEREIN IS WITHOUT PREJUDICE TO THE REORGANIZED DEBTORS' RIGHTS TO PURSUE FURTHER SUBSTANTIVE OR NON-SUBSTANTIVE OBJECTIONS AGAINST THE CLAIMS LISTED IN EXHIBIT 1 TO THE PROPOSED ORDER. CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES AND CLAIMS IN EXHIBIT 1 TO THE PROPOSED ORDER.

* * *

The above-captioned reorganized debtors (the “Debtors” or the “Reorganized Debtors,” as applicable) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”)² hereby file this *Reorganized Debtors’ Third Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (Equity Interest Claims)* (the “**Objection**”). This Objection is supported by the *Declaration of Erin McKeighan*

¹ The reorganized debtors in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The reorganized debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

² As appropriate from the context, the terms Debtors, Reorganized Debtors, and Chapter 11 Cases shall include reference to Closing Debtors (as defined below) and their respective Chapter 11 Cases.



in Support of the Reorganized Debtors' Third Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (Equity Interest Claims) (the "**McKeighan Declaration**"), attached hereto as Exhibit B, and incorporated herein by reference. In further support of the Objection, the Reorganized Debtors respectfully state as follows:

RELIEF REQUESTED

1. By this Objection, and pursuant to section 502 of title 11 of the United States Code (the "**Bankruptcy Code**"), rule 3007 of the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**"), and rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Reorganized Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the "**Proposed Order**" and, if entered, the "**Order**"), disallowing each of the Claims identified on Exhibit 1 to the Proposed Order (the "**Equity Interest Claims**").³

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the District of Delaware (the "**Court**") has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012.

3. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Local Rule 9013-1(f), the Reorganized Debtors consent to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the

³ Each exhibit to the proposed order is incorporated herein by reference.

Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue of the Chapter 11 Cases and related proceedings is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

A. General Background

5. On April 1, 2019, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Subsequent to the Petition Date, the Debtors continued in possession of their property and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [D.I. 48] entered by the Court on April 2, 2019 in each of the Chapter 11 Cases.

7. No request has been made for the appointment of a trustee or examiner, and no official committee was appointed in the Chapter 11 Cases.

8. On January 24, 2020, the Debtors filed the *First Amended Chapter 11 Plan for Southcross Energy Partners L.P. and its affiliated Debtors* [D.I. 863] (as amended, the “**Plan**”). The Plan was confirmed on January 27, 2020 pursuant to the *Order Confirming First Amended Chapter 11 Plan for Southcross Energy Partners, L.P. and its Affiliated Debtors* [D.I. 873]. The Effective Date (as defined in the Plan) of the Plan occurred on January 31, 2020 [D.I. 881].

9. On March 6, 2020, the Court entered the *Final Decree (I) Closing Certain Chapter 11 Cases and (II) Terminating Certain Claims and Noticing Services* [D.I. 928] (the “**Final Decree**”), closing all but two of the Reorganized Debtors’ affiliated Chapter 11 Cases.

Paragraph 6 of the Final Decree dictates that all Proofs of Claim against the Closing Debtors (each as defined therein) shall remain unaffected by entry of the Final Decree and such Proofs of Claim shall be administered in the Chapter 11 Case of Debtor Southcross Energy Partners, L.P. without prejudice to the rights of any claimant related thereto.

10. Additional information about the Debtors' businesses and affairs, prepetition capital structure, and prepetition indebtedness, and the events leading up to the Petition Date, can be found in the *Declaration of Michael B. Howe in Support of Debtors' Chapter 11 Proceedings and First Day Pleadings* [D.I. 2], which is incorporated herein by reference.

B. Claims Resolution Process in the Chapter 11 Cases

11. On April 2, 2019, the Court entered the *Order Authorizing Debtors to Employ and Retain Kurtzman Carson Consultants LLC as Notice and Claims Agent for Debtors Nunc Pro Tunc to the Petition Date* [D.I. 49] (the "**KCC Noticing and Claims Retention Order**"), thereby appointing Kurtzman Carson Consultants LLC ("**KCC**") as the claims and noticing agent for the Chapter 11 Cases. On June 10, 2019, the Court entered the *Order Authorizing The Debtors To Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor of the Debtors Nunc Pro Tunc to the Petition Date* [D.I. 258] (the "**KCC Administrative Advisor Retention Order**") and, together with the KCC Noticing and Claims Retention Order, the "**KCC Retention Orders**" and, KCC in its capacity under the KCC Retention Orders, the "**Claims Agent**"), thereby authorizing the Debtors to employ KCC as the administrative advisor to the Debtors in the Chapter 11 Cases.

12. On June 10, 2019, the Court entered the *Order Establishing Deadlines and Procedures for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [D.I. 260] (the "**Bar Date Order**") establishing July 19, 2019 at 5:00 p.m. (prevailing Eastern

Time) and September 30, 2019 at 5:00 p.m. (prevailing Eastern Time) as the General Bar Date and Governmental Bar Date, respectively (each as defined therein, collectively, the “**Bar Date**”⁴). Furthermore, pursuant to Section 3.2 of the Plan, the bar date for Administrative Expense Claims (as defined therein) was March 1, 2020, and pursuant to Section 3.3 of the Plan, the bar date for Professional Fee Claims (as defined therein) was March 27, 2020.

13. On June 12, 2019, the Debtors prepared and filed their schedules of assets and liabilities (the “**Schedules**”) and statements of financial affairs [D.I. 268–295, 297–322].

14. On June 13, 2019, KCC duly served the *Notice of Deadlines of Filing Proofs of Claim Against the Debtors* [D.I. 325] (the “**Bar Date Notice**”). See *Affidavit of Service of Priscilla Romera* [D.I. 343]. On June 21, 2019, the Debtors caused the Bar Date Notice to be published in the *USA Today*. See *Affidavit of Publication of Notice of Deadlines for Filing Proofs of Claim Against the Debtors in USA Today* [D.I. 341].

15. In the ordinary course of business, the Reorganized Debtors maintain books and records (the “**Book and Records**”) that reflect, among other things, the Reorganized Debtors’ liabilities and the amounts thereof owed to their creditors.

16. The Reorganized Debtors’ claims register (the “**Claims Register**”), prepared and maintained by KCC, reflects that approximately 650 proofs of claim (collectively, the “**Proofs of Claim**”) have been filed in the Chapter 11 Cases asserting claims against the Debtors (collectively, the “**Claims**”)⁵. The Reorganized Debtors and their advisors are comprehensively reviewing and reconciling all claims, including both the claims listed on the Schedules (the

⁴ The Governmental Bar Date (for the United States only) was extended to October 15, 2019 by order of the Court [D.I. 606].

⁵ On October 10, 2019, the Debtors filed the *Debtors’ Notice of Claims Satisfied in Full* [D.I. 518] and contemporaneously herewith, the Debtors are filing the *Reorganized Debtors’ Second Notice of Claims Satisfied in Full*.

“**Scheduled Claims**”) and the Claims asserted in the Proofs of Claim (including any supporting documentation) filed in the Chapter 11 Cases. The Reorganized Debtors are also comparing the Claims asserted in the Proofs of Claims with the Reorganized Debtors’ Books and Records to determine the validity of the asserted Claims.

17. This reconciliation process includes identifying particular categories of Claims that the Reorganized Debtors believe should be disallowed. To avoid a possible double recovery or otherwise improper recovery by claimants, the Reorganized Debtors will continue to file omnibus objections to such categories of Claims if and where warranted. This Objection is one such omnibus objection.

BASIS FOR RELIEF

18. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that (a) it has a “right to payment” for the asserted liabilities and (b) the claim is otherwise allowable. 11 U.S.C. §§ 101(5) and 101(10).

19. When asserting a claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the *claimant*. See *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *In re Int’l Match Corp.*, 69 F. 2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where the claimant alleges sufficient facts to support its claim, its claim is afforded *prima facie* validity. *In re Allegheny Int’l, Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim’s *prima facie* validity. *Id.* In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim’s legal sufficiency. *Id.* at 173-74. Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of its

claim by a preponderance of the evidence. *Id.* at 174. The burden of persuasion is always on the claimant. *Id.*

A. Equity Interest Claims

20. For the reasons set forth herein and on Exhibit 1 to the Proposed Order, the Reorganized Debtors object to the Equity Interest Claims because the Equity Interest Claims were filed by holders of equity interests in Southcross Energy Partners, L.P.

21. The Equity Interests Claims do not constitute “claims” within the meaning of section 101(5) of the Bankruptcy Code. Rather, based on the information asserted in the Equity Interest Claims, such Proofs of Claim assert, if anything, an “equity interest,” as the term is used in the Bankruptcy Code. Holders of Southcross Energy Partners, L.P. common limited partnership units and other equity interests will be treated in accordance with the Plan to the extent such entities were holders of such interests on the applicable record date for distributions under the Plan.

22. Accordingly, the Equity Interest Claims should be disallowed.

SEPARATE CONTESTED MATTERS

23. Each of the Claims and the Objection with respect thereto constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. The Reorganized Debtors request that any order entered by the Court with respect to a request for disallowance herein shall be deemed a separate order with respect to each Claim.

RESPONSE TO OMNIBUS OBJECTIONS

24. To contest this Objection, a claimant must file and serve a written response to this Objection (a “**Response**”) so that it is received no later than the **deadline set forth above and in the accompanying notice** (the “**Response Deadline**”). Every Response must be filed with the

Office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, and served upon the following so that the Response is received no later than the Response Deadline at the following address:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Steven Z. Szanzer and Donny Ariel

-and-

Morris, Nichols, Arsht & Tunnell LLP
1201 North Market Street, P.O. Box 1347
Wilmington, Delaware 19899-1347
Attn: Robert J. Dehney and Andrew R. Remming

Counsel to the Reorganized Debtors

25. Every Response to this Objection must contain, at a minimum, the following information:
- a. A caption setting forth the name of the Court, the name of the Debtor, the case number, and the title of the Objection to which the response is directed;
 - b. The name of the claimant, the claim number, and a description of the basis for the amount of the Claim;
 - c. The specific factual basis and supporting legal argument upon which the party will rely in opposing this Objection;
 - d. Any supporting documentation, to the extent that it was not included in the Proof of Claim previously filed with the Clerk of the Court or the Claims Agent, upon which the claimant intends to rely to support the basis for and amounts asserted in the Proof of Claim; and
 - e. The name, address, telephone number and fax number, if any, of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Reorganized Debtors should communicate with respect to the applicable Claim or the Objection and who possess authority to reconcile, settle, or otherwise resolve the Objection to the disputed Claim on behalf of the claimant.

26. If a claimant fails to file and serve a timely Response by the Response Deadline, the Reorganized Debtors may present to the Court an appropriate order disallowing the claim, without further notice or a hearing.

ADJOURNMENT OF HEARING

27. The Reorganized Debtors reserve the right to seek an adjournment of the hearing on any Response to this Objection. In the event that the Reorganized Debtors seek such an adjournment, it will be noted on the notice of agenda for the hearing, and such agenda will be served on the affected claimant by serving the person designated in the Response.

RESERVATION OF RIGHTS

28. The Reorganized Debtors expressly reserve the right to amend, modify, or supplement this Objection. Should the grounds for objection stated in this Objection be dismissed or overruled, the Reorganized Debtors reserve the right to object to each of the Claims on any other grounds that the Reorganized Debtors discover or elect to pursue. The Reorganized Debtors reserve their right to assert substantive and/or one or more additional non-substantive objections to the Claims at a later time.

29. Notwithstanding anything contained in this Objection or the exhibits attached hereto, nothing herein shall be construed as a waiver of any rights that the Reorganized Debtors may have to (a) commence avoidance actions under the applicable sections of the Bankruptcy Code, including, but not limited to, sections 547 and 548 of the Bankruptcy Code, against the claimants subject to this Objection, (b) enforce the Reorganized Debtors' rights of setoff against the claimants relating to such avoidance actions, or (c) seek disallowance pursuant to section 502(d) of the Bankruptcy Code of claims of the claimants that are subject to such avoidance actions.

NOTICE

30. Notice of this Objection will be given to (a) the Office of the United States Trustee for the District of Delaware, (b) each of the parties listed on Exhibit 1 to the Proposed Order, and (c) all parties requesting notice pursuant to Bankruptcy Rule 2002. The Reorganized Debtors submit that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

31. Neither the Debtors nor the Reorganized Debtors have previously sought the relief requested herein from the Court or any other court.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Reorganized Debtors respectfully request entry of the Proposed Order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein, and such other and further relief as the Court deems just and proper.

Dated: May 8, 2020
Wilmington, Delaware

Respectfully submitted,
MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Eric W. Moats

Robert J. Dehney (No. 3578)
Andrew R. Remming (No. 5120)
Joseph C. Barsalona II (No. 6102)
Eric W. Moats (No. 6441)
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-and-

DAVIS POLK & WARDWELL LLP
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Steven Z. Szanzer (admitted pro hac vice)
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New York, New York 10017
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Counsel to the Reorganized Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|-----------------------------------|---|--|
| |) | Chapter 11 |
| In re: |) | |
| |) | Case No. 19-10702 (MFW) |
| SOUTHCROSS ENERGY PARTNERS, L.P., |) | |
| <i>et al.</i> , |) | Jointly Administered |
| |) | |
| Reorganized Debtors. ¹ |) | |
| |) | Hearing Date: June 8, 2020 at 10:30 a.m. (ET) |
| |) | Response Deadline: May 22, 2020 at 4:00 p.m. (ET) |
| |) | |

**NOTICE OF REORGANIZED DEBTORS’ THIRD OMNIBUS
OBJECTION (NON-SUBSTANTIVE) TO CERTAIN CLAIMS
PURSUANT TO 11 U.S.C. § 502, FED. R. BANKR. P. 3007, AND DEL. L.R. 3007-1
(EQUITY INTEREST CLAIMS)**

PLEASE TAKE NOTICE that on May 8, 2020 the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Reorganized Debtors’ Third Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (Equity Interest Claims)* (the “Objection”).

PLEASE TAKE FURTHER NOTICE that responses if any, to the Objection must be (a) in writing and served on or before **May 22, 2020 at 4:00 p.m. (ET)** (the “Response Deadline”); (b) filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801; and (c) served so as to be received on or before the Response Deadline by the undersigned counsel.

PLEASE TAKE FURTHER NOTICE THAT only responses made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE OBJECTION WILL BE HELD ON **JUNE 8, 2020 AT 10:30 A.M. (ET)** BEFORE THE HONORABLE MARY F. WALRATH, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM #4, WILMINGTON, DELAWARE 19801.

¹ The reorganized debtors in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The reorganized debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: May 8, 2020
Wilmington, Delaware

Respectfully submitted,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Eric W. Moats

Robert J. Dehney (No. 3578)

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Joseph C. Barsalona II (No. 6102)

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-and-

DAVIS POLK & WARDWELL LLP

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Darren S. Klein (admitted pro hac vice)

Steven Z. Szanzer (admitted pro hac vice)

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Counsel to the Reorganized Debtors

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|-----------------------------------|---|-------------------------|
| In re: |) | Chapter 11 |
| |) | |
| SOUTHCROSS ENERGY PARTNERS, L.P., |) | Case No. 19-10702 (MFW) |
| <i>et al.</i> , |) | |
| |) | Jointly Administered |
| |) | |
| Reorganized Debtors. ¹ |) | |
| |) | Re: D.I. ____ |
| |) | |
| |) | |

**ORDER GRANTING REORGANIZED
DEBTORS' THIRD OMNIBUS OBJECTION
(NON-SUBSTANTIVE) TO CERTAIN CLAIMS PURSUANT
TO 11 U.S.C. § 502, FED. R. BANKR. P. 3007, AND
DEL. L.R. 3007-1 (LATE FILED, AMENDED, DUPLICATE CLAIMS)**

Upon the objection (the “**Objection**”)² of the above-captioned Reorganized Debtors, pursuant to section 502 of the Bankruptcy Code, Bankruptcy Rule 3007, and Local Rule 3007-1, seeking to disallow the claims identified on Exhibit 1 attached hereto; and upon the McKeighan Declaration, attached to the Objection as Exhibit B; and the Court having jurisdiction to consider the matters raised in the Objection pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Objection pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Objection and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper

¹ The reorganized debtors in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The reorganized debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

notice of the Objection and opportunity for a hearing on the Objection having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Objection; and the Court having the opportunity to hold a hearing on the Objection; 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 the Court having found that the relief granted herein being in the best interests of the Reorganized Debtors, their creditors, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Objection is hereby granted, as set forth herein.
2. The Equity Interest Claims identified on Exhibit 1 hereto are hereby disallowed in full.
3. This Order shall be deemed a separate Order with respect to each of the Claims identified on Exhibit 1. Any stay of this Order pending appeal by any claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.
4. The Reorganized Debtors, Kurtzman Carson Consultants LLC, and the Clerk of this Court are authorized to take, or refrain from taking, any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.
5. Notwithstanding any Bankruptcy Rule, Local Rule, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. This Court shall retain jurisdiction to hear and determine all matters arising from, arising under, or related to the Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including, without limitation, to enforce this Order.

Dated: _____, 2020
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Equity Interest Claims

SOUTHCROSS ENERGY PARTNERS, L.P., ET AL., CASE NO. 19-10702
EXHIBIT 1
EQUITY CLAIMS

| NAME | DATE FILED | DEBTOR | PC CLAIM # | ECF CLAIM # | CLAIM AMOUNT | REASON FOR DISALLOWANCE |
|--|------------|----------------------------------|------------|-------------|----------------|---|
| 1 JASON STELLE 2021 WARFIELD AVE, UNIT A REDONDO BEACH, CA 90278 | 6/10/2019 | Southcross Energy Partners, L.P. | 85 | | \$ 96,513.54 | Proof of claim is on account of an interest, rather than a claim, as defined in Bankruptcy Rule 3007(d)(7). |
| 2 JOSE A CARMONA 2442 OAK RIDGE DR CARSON CITY, NV89703 | 7/8/2019 | Southcross Energy Partners, L.P. | 129 | | \$ 240.00* | Proof of claim is on account of an interest, rather than a claim, as defined in Bankruptcy Rule 3007(d)(7). |
| 3 MARY SMOTHERS PO BOX 849 LLANO, TX 78643 | 7/8/2019 | Southcross Energy Partners, L.P. | 127 | | \$ 54,993.00 | Proof of claim is on account of an interest, rather than a claim, as defined in Bankruptcy Rule 3007(d)(7). |
| 4 RONALD LYNN SMOTHERS PO BOX 849 LLANO, TX 78643 | 7/8/2019 | Southcross Energy Partners, L.P. | 128 | | \$ 54,998.00 | Proof of claim is on account of an interest, rather than a claim, as defined in Bankruptcy Rule 3007(d)(7). |
| 5 SPENCER NELSON SMITH 4405 CHAMPIONS CT LEAGUE CITY, TX77573 | 4/29/2019 | Southcross Energy Partners, L.P. | 32 | | \$ 2,231.68 | Proof of claim is on account of an interest, rather than a claim, as defined in Bankruptcy Rule 3007(d)(7). |
| TOTAL | | | | | \$ 208,976.22* | |

* - Indicates claim contains unliquidated and/or undetermined amounts

EXHIBIT B

McKeighan Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|-----------------------------------|---|-------------------------|
| In re: |) | Chapter 11 |
| |) | |
| |) | Case No. 19-10702 (MFW) |
| SOUTHCROSS ENERGY PARTNERS, L.P., |) | |
| <i>et al.</i> , |) | Jointly Administered |
| |) | |
| Reorganized Debtors. ¹ |) | |
| |) | |
| |) | |
| |) | |

**DECLARATION OF ERIN MCKEIGHAN IN SUPPORT OF REORGANIZED
DEBTORS’ THIRD OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO
CERTAIN CLAIMS PURSUANT TO 11 U.S.C. § 502, FED. R. BANKR. P. 3007,
AND DEL. L.R. 3007-1 (EQUITY INTEREST CLAIMS)**

I, Erin McKeighan, declare as follows:

BACKGROUND

1. I am a Managing Director of Alvarez & Marsal North America, LLC (“A&M”). A&M was retained by the above-captioned Reorganized Debtors as restructuring advisor in connection with the Chapter 11 Cases. I have more than 13 years of restructuring experience.

2. I make this declaration in support of the *Reorganized Debtors’ Third Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (Equity Interest Claims)* (the “**Objection**”).² If I were called upon to testify, I could and would testify to each of the facts set forth herein.

3. I am generally familiar with the Reorganized Debtors’ day-to-day operations,

¹ The reorganized debtors in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The reorganized debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

financing arrangements, business affairs, and books and records that reflect, among other things, the Reorganized Debtors' liabilities, and the amount thereof owed to their creditors as of the Petition Date. I have read the Objection and corresponding Proposed Order, filed contemporaneously herewith.

4. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. In evaluating the claims, the Reorganized Debtors and other reviewing parties have reviewed the Reorganized Debtors' Books and Records, the relevant Proofs of Claim, as well as the supporting documentation provided by the claimants, and determined that the Equity Claims should be disallowed or otherwise treated as set forth in the Objection and Proposed Order. I believe the disallowance or treatment of the claims listed on Exhibit 1 to the Proposed Order on the terms set forth in the Objection and Proposed Order is appropriate.

EQUITY INTEREST CLAIMS

5. To the best of my knowledge, based on the Reorganized Debtors' review of the Claims Register and each Equity Interest Claim, the Equity Interest Claims listed on Exhibit 1 to the Proposed Order do not constitute "claims" within the meaning of section 101(5) of the Bankruptcy Code. Rather, based on the information asserted in the Equity Interest Claims, such Proofs of Claim assert, if anything, an "equity interest," as the term is used in the Bankruptcy Code. Holders of Southcross Energy Partners, L.P. common limited partnership units and other equity interests will be treated in accordance with the Plan to the extent such entities were holders of such interests on the applicable record date for distributions under the Plan, and therefore it is proper for the Court to enter the Proposed Order disallowing such claims as set forth therein and in the Objection.

COMPLIANCE WITH LOCAL RULE 3007-1

6. I have reviewed Local Rule 3007-1 and hereby state that, to the best of my knowledge and belief, this Objection is in compliance therewith.

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

Executed: May 8, 2020

/s/ Erin McKeighan
Erin McKeighan

Managing Director,
Alvarez & Marsal North America, LLC