Docket #1016 Date Filed: 10/06/2026

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
VANDERBILT MINERALS, LLC,	:	Case No. 26-60110 (WAK)
Debtor.[1]	:	

R.T. VANDERBILT'S OBJECTION AND RESERVATION OF RIGHTS TO THE MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) APPROVING PROPOSED DISCLOSURE STATEMENT AND THE FORM AND MANNER OF NOTICE OF HEARING THEREOF, (II) ESTABLISHING SOLICITATION AND VOTING PROCEDURES WITH RESPECT TO DEBTOR'S PROPOSED CHAPTER 11 PLAN, (III) SCHEDULING CONFIRMATION HEARING, (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF DEBTOR'S PROPOSED CHAPTER 11 PLAN, AND (V) GRANTING RELATED RELIEF

R.T. Vanderbilt Holding Company, Inc. and its direct and indirect subsidiaries other than Vanderbilt Minerals, LLC (collectively, "***R.T. Vanderbilt***") respectfully submits this objection and reservation of rights (the "***Objection***") to the *Motion of Debtor for Entry of an Order (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 859] (the "***Motion***").

[1] The Debtor is Vanderbilt Minerals, LLC (EIN 13-1432885). The Debtor's noticing address in this Chapter 11 Case is 33 Winfield Street, Norwalk, CT 06855.

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PRELIMINARY STATEMENT

1. The Motion should be denied because the Debtor's *Amended Disclosure Statement for Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 858] (the "***Proposed Disclosure Statement***") fails to address the undeniable fact that its proposed *Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 857] (the "***Proposed Plan***") violates the plain terms of the Court-approved settlement agreement between the Debtor and the Vanderbilt Settlement Parties (as amended and modified pursuant to its terms, the "***Settlement Agreement***") in at least three critical ways.[2] **First**, it removes Mr. Pickering, the Debtor's independent manager, and his counsel, Katten Muchin Rosenman LLP ("***Katten***"), even though the Debtor contractually agreed to continue to defend the Settlement Appeal (as defined below) through Mr. Pickering and Katten until a Settlement Appeal Resolution is obtained. **Second**, the Proposed Plan includes language attempting to limit or modify how confirmation of the Proposed Plan might impact the mootness of the appeal of the Settlement Approval Order (as defined below) (the "***Settlement Appeal***") and the Debtor purports to waive (or not make) various equitable mootness arguments that might be raised in the Settlement Appeal. **Third**, the Debtor and the Official Committee of Unsecured Creditors (the "***Committee***"), through their joint Proposed Plan, purport to pre-determine what happens post-appeal if the Settlement Appeal is successful in overturning the Settlement Approval Order.

2. The Proposed Disclosure Statement discloses no risk regarding how these provisions expose the estate to significant administrative claims that would render it administratively insolvent, nor does the Proposed Disclosure Statement adequately describe for

[2] Capitalized terms used herein and not otherwise defined have the meanings given to them in the Motion, the Settlement Agreement, or the May Letter Agreement, as applicable.

creditors and parties in interest that significant funds will be spent on a Settlement Appeal that two courts have found is not likely to succeed on the merits, therefore the Proposed Disclosure Statement lacks adequate information. Further, the Proposed Plan impermissibly intrudes on the pending Settlement Appeal, does not account for the large administrative claims the Vanderbilt Settlement Parties will have as a result of the Debtor's breach of the Settlement Agreement, and was not proposed in good faith, each of which renders the Proposed Plan patently unconfirmable. As a result, the Court should deny approval of the Proposed Disclosure Statement and not allow the Debtor to commence solicitation of the Proposed Plan (or any chapter 11 plan) that violates the terms of the Settlement Agreement. Soliciting votes on a plan that cannot be confirmed would waste already limited estate resources.

BACKGROUND

3. The Settlement Agreement originally required that the *Order (I) Authorizing and Approving the Global Settlement Between the Debtor and R.T. Vanderbilt Holding Co., Inc. and Certain of its Subsidiaries; and (II) Granting Related Relief* [Docket No. 493] (the "***Settlement Approval Order***") become a final order that had not been reversed, vacated, or stayed and as to which the time to appeal had expired and no appeal was pending (the "***Final Order Condition***").[3] However, the Committee filed a notice of appeal of the Settlement Approval Order on April 29, 2026.[4] Shortly thereafter, the Vanderbilt Settlement Parties were asked by the Debtor to waive the Final Order Condition so that the Debtor could close on a value-maximizing, going-concern sale of its business (the "***Sale***"). During the multi-day evidentiary hearing on the Settlement Agreement, Mr. Pickering testified under oath that the Settlement Agreement was critical to

[3] *See Settlement Agreement* at §§ 1.1, 2.2 [Docket No. 22-2].

[4] *See Notice of Appeal* [Docket No. 502].

achieving a value-maximizing sale and that he believed the Settlement Assets were worth at least $32 million in the event of a $60 million sale.[5]

4. On May 5, 2026, to the significant benefit of the estate, the Debtor and the Vanderbilt Settlement Parties entered into a letter agreement (the "***May Letter Agreement***") memorializing the conditions under which the Vanderbilt Settlement Parties would agree to waive the Final Order Condition and certain related clarifications to the Settlement Agreement, a copy of which was filed with the Court and is attached hereto as Exhibit A. Under Section 3(a) of the May Letter Agreement, the Debtor, through Mr. Pickering and Katten, is required to take all actions to obtain the Settlement Appeal Resolution by the Settlement Appeal Resolution Outside Date. The Settlement Appeal Resolution Outside Date is defined as "July 1, 2026, or such later date as the Vanderbilt Settlement Parties may agree in writing ***in their sole and absolute discretion***" (emphasis added). In advance of filing this Objection, the Vanderbilt Settlement Parties agreed in writing to extend the Settlement Appeal Resolution Outside Date to December 31, 2026, and continue to have the right to extend that date further in their sole and absolute discretion under the Settlement Agreement.

5. As these provisions make clear, the Settlement Agreement, as modified by the May Letter Agreement, requires that Mr. Pickering and Katten remain in place to obtain a Settlement Appeal Resolution for as long as the Vanderbilt Settlement Parties are willing to extend the Settlement Appeal Resolution Outside Date. Indeed, in the May Letter Agreement, Mr. Pickering also agreed to eliminate the "fiduciary out" that was in the Settlement Agreement upon the closing of the Sale, thus reaffirming that the Debtor could not abandon the Settlement Appeal without

[5] *See* Apr. 16, 2026 Hr'g. Tr. 94:17-23 ("Q: If, for instance, the sale was for 60 million, would that change your allocation? A: Yes, based on that allocation, we'd save $30 million plus the 2.1. Q: So at the point, you'd think that you would conclude that you received $32.1 million in value? A: Yes, that's right.").

violating the terms of the Settlement Agreement.[6] These provisions were the primary material concessions from the Debtor that induced the Vanderbilt Settlement Parties to agree to close the Sale over the Settlement Appeal.

6. Notwithstanding this clear contractual requirement, the Proposed Plan does not retain Mr. Pickering and Katten in order to obtain the Settlement Appeal Resolution. Rather, only the Committee remains in place to continue to try to overturn the Settlement Approval Order against an empty-chair Debtor. Further, the Committee is allocated up to $11 million of the remaining cash proceeds from the Sale to pursue the Settlement Appeal until all appellate options are exhausted while no funding is set aside for the Debtor to oppose the Settlement Appeal.[7] This also is a clear abdication of the Debtor's obligations under the Settlement Agreement and its fiduciary obligation to creditors to continue to defend a settlement that it brought to the Court, arguing it was in the best interests of creditors, and for which it accordingly spent considerable estate resources to obtain approval after extensive litigation.

7. To add insult to injury, on the way out the door the Debtor purports to waive arguments related to the mootness of the Settlement Appeal. Section 12.15 of the Proposed Plan provides that nothing in the Proposed Plan or related documents shall "have the effect of mooting, or support efforts to moot, the pending appeal[] of the Global Settlement Order" and prohibits the Debtor and Mr. Pickering from arguing that confirmation of the Proposed Plan renders the Settlement Appeal moot.[8] The May Letter Agreement provides that any "limitation to any rights,

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[6] *See* May Letter Agreement at § 3(d).

[7] Section 1.1 of the Proposed Disclosure Statement provides that the Debtor will have approximately $11 million in distributable cash left on the effective date of the Proposed Plan. The Proposed Plan is inconsistent with this characterization, as it provides that $1 million will be funded into the GUC Recovery Fund and $11 million will be funded into the VLT Operating Reserve (each as defined in the Proposed Plan) on the effective date.

[8] Section 10.14 of the Proposed Plan also contains language that should be stricken because it purports to limit the impact of confirmation of the Proposed Plan on the potential equitable mootness of the Settlement Appeal.

remedies and arguments the Vanderbilt Settlement Parties have or may have under the Settlement Agreement, the Settlement Approval Order and/or the Settlement Approval Opinion, ***including with regard to the mootness of the Settlement Appeal***" (emphasis added) constitutes a "Settlement Modification" and in turn results in a breach of the Settlement Agreement. Further, waiving a potentially important argument regarding the mootness of the Settlement Appeal is another clear violation of the Debtor's obligation to "take ***all actions*** required to obtain the Settlement Appeal Resolution" (emphasis added).[9]

8. Finally, Section 12.15 of the Proposed Plan contains a provision that appears to attempt to pre-determine what happens if the Settlement Appeal is successful by allocating various causes of action to different constituencies. Similar provisions were added in several other places throughout the Proposed Plan. As explained below, these provisions also are improper for a variety of reasons and must be stricken from the Proposed Plan.

9. There are two simple solutions. First, the Proposed Plan can be modified as set forth in Exhibit B hereto so that the Proposed Plan complies with the Settlement Agreement and does not limit this Court's or an appellate court's power. Alternatively, if the resolution of the Settlement Appeal is a gating item to the Committee's support of any chapter 11 plan, the Debtor and the Committee should stop using limited estate funds pursuing a patently unconfirmable chapter 11 plan and halt all other activity and expenditures in the Chapter 11 Case other than the briefing and argument in the Settlement Appeal. When the Settlement Appeal is resolved by the appellate courts, the Debtor can proceed toward confirmation of a chapter 11 plan at that time with all parties having the benefit of the resolution of the Settlement Appeal by the appellate courts.

[9] As the Court may recall, this is not the first time the Committee has tried to obtain favorable language to try to undermine equitable mootness arguments related to the Settlement Appeal. The Committee made similar requests in its *Motion of the Official Committee of Unsecured Creditors for a Stay Pending Appeal* [Docket No. 510], which this Court appropriately rejected. *See* May 7, 2026 Hr'g. Tr. 12:2-9.

With no operating assets or employees remaining, reining in other costs (*i.e.*, professional fees) is entirely within the control of the Debtor and the Committee.

10. While the Vanderbilt Settlement Parties will continue to attempt to consensually resolve these issues, if the Debtor insists on going forward with the Proposed Plan as currently drafted, the Vanderbilt Settlement Parties will commence an adversary proceeding to enforce the Settlement Agreement (the "***Enforcement Proceeding***") in advance of the hearing on the Motion. In the Enforcement Proceeding, the Vanderbilt Settlement Parties intend to seek both specific performance and significant monetary damages, including attorneys' fees and the full value of the Settlement Assets that were contributed to the Debtor in the good faith belief that the Debtor would comply with its obligations under the Settlement Agreement. R.T. Vanderbilt expects that the applicable deadlines and discovery taking place with respect to the Enforcement Proceeding will proceed in accordance with the applicable rules for adversary proceedings, and that the Proposed Plan cannot be confirmed until the Enforcement Proceeding is resolved.[10]

OBJECTION

11. The Motion should be denied because the Proposed Plan is patently unconfirmable and the Proposed Disclosure Statement lacks adequate information. *See In re Roman Catholic Diocese of Syracuse, New York*, 667 B.R. 628, 631 (Bankr. N.D.N.Y. 2024) ("[i]f a plan is patently unconfirmable on its face, the motion to approve the disclosure statement must be denied, as solicitation of the vote would be futile"); *In re Franklin Indus. Complex, Inc.*, 386 B.R. 5, 10 (Bankr. N.D.N.Y. 2008) (explaining that a court "may disapprove disclosure statements . . . when it has concerns about whether or not the plans to which they relate can be confirmed at the

[10] The summary of R.T. Vanderbilt's position set forth herein is only designed to educate the Court on the issues R.T. Vanderbilt has with the Proposed Plan and certain relevant key provisions in the Settlement Agreement. It is not an exhaustive recitation of the relevant provisions of the Settlement Agreement and does not include relevant parol evidence (to the extent determined to be necessary).

particular stage of the case"); 11 U.S.C. § 1125(a)-(b) (a disclosure statement must contain "adequate information").

A. The Proposed Plan Is Patently Unconfirmable

i. The Debtor Cannot Demonstrate Payment of Administrative Claims in Full

12. Section 1129(a)(9)(A) of the Bankruptcy Code provides that a plan must provide for payment of claims arising under section 507(a)(2) of the Bankruptcy Code in full on the effective date of the plan. Administrative insolvency standing alone prevents confirmation of a chapter 11 plan.[11] At least one bankruptcy court in the Northern District of New York has postponed conditional approval of a disclosure statement where various issues relevant to plan confirmation remained outstanding, including a pending motion for an administrative claim that, if allowed, would render the estate administratively insolvent.[12]

13. As set forth above, the Debtor's support for the Proposed Plan violates the Settlement Agreement in numerous respects. The damages suffered by the Vanderbilt Settlement Parties as a result of the Debtor's willful breach of the Settlement Agreement are entitled to administrative priority claim status. *See, e.g., In re Klein Sleep Prods., Inc.*, 78 F.3d 18, 27 (2d Cir. 1996) (administrative priority is available "if the estate received demonstrable benefits under the contract"). It is undisputed that the Debtor received demonstrable benefits under the Settlement Agreement, as the Sale of substantially all of the Debtor's assets for $64 million would not have closed without the contribution of the Settlement Assets and a waiver of the requirement of a final Settlement Approval Order. Absent a consensual resolution in the near term, the Vanderbilt

[11] *See Pan Am Corp. v. Delta Air Lines, Inc.*, 175 B.R. 438, 483 (S.D.N.Y. 1994).

[12] *See In re Franklin Indus. Complex, Inc.*, 386 B.R. 5, 9-10 (Bankr. N.D.N.Y. 2008).

Settlement Parties will commence the Enforcement Proceeding and seek substantial damages claims against the Debtor and Mr. Pickering as well as specific performance.

14. The Debtor currently estimates having only approximately $11 million in cash remaining on the effective date of the Proposed Plan. *See* Proposed Disclosure Statement at § 1.1.[13] That assumption does not appear to contemplate the costs of litigation in the Enforcement Proceeding, a contested confirmation hearing if the Proposed Disclosure Statement is approved, nor any damages claims that the Vanderbilt Settlement Parties may be awarded for the Debtor's various breaches of the Settlement Agreement. At a minimum, given the reality of the Enforcement Proceeding if the Debtor's multiple breaches of the Settlement Agreement are not promptly remedied, the Proposed Plan must maintain sufficient funds in reserve to pay the likely administrative priority damages claims of the Vanderbilt Settlement Parties in full. Absent such a reserve, the Proposed Plan is patently unconfirmable because the Debtor cannot demonstrate that it will have sufficient funds to pay all administrative claims in full as is required by section 1129(a)(9)(A) of the Bankruptcy Code.[14]

ii. The Proposed Plan Limits the Power of the Appellate Courts and Would Create an Impermissible Advisory Opinion

15. When an order is under review by an appellate court, the reviewing court (here, the United States District Court for the Northern District of New York (the "***District Court***") in the first instance) decides the remedy on reversal, including whether to vacate, remand, unwind, or

[13] As set forth on the chart attached hereto as Exhibit C, the Debtor and the Committee have collectively requested approximately $32 million in professional fees and expenses (ending as late as September 17, 2026) in a case where the Debtor monetized substantially all of its assets to a third-party buyer for $64 million.

[14] The Vanderbilt Settlement Parties do not, and will not, consent to an impairment of their administrative claims. *See In re Teligent, Inc.*, 282 B.R. 765, 770 (Bankr. S.D.N.Y. 2002) (explaining that section 1129(a)(9) of the Bankruptcy Code "requires administrative and priority creditors to be paid in full unless they agree to a different treatment of their claims").

limit relief.[15] The Committee and the Debtor cannot by unilateral agreement limit or alter the authority of the reviewing appellate court by inserting their preferred outcome in the Proposed Plan.[16] Yet Section 12.15 of the Proposed Plan and related provisions purporting to direct who may pursue causes of action released under the Settlement Agreement do just that. These provisions seek to pre-determine what happens if the Committee is successful in overturning the Settlement Approval Order on appeal by fixing in advance the effect of reversal and thereby limiting the practical relief that the appellate court, and this Court on remand, may afford. This impermissibly interferes with the pending Settlement Appeal.[17]

16. The filing of a notice of appeal "divests the [lower] court of its control over those aspects of the case involved in the appeal."[18] Whether the Settlement Approval Order should be reversed, and what relief follows if it is, are the very matters before the appellate court. A bankruptcy court may implement or enforce an order on appeal, but it may not alter it.[19] Moreover, any approval of this provision in the Proposed Plan by the Court would amount to an impermissible advisory opinion.[20] No one knows today whether the Settlement Approval Order will be reversed in whole, in part, or not at all, nor on what grounds the appellate courts might rule. A chapter 11

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15 *See Allied Chemical Corp. v. Daiflon, Inc.*, 449 U.S. 33, 34 (1980) ("a court of appeals has broad authority to modify, vacate, set aside or reverse an order of a district court, and it may direct such further action on remand as may be just under the circumstances") (internal quotation marks omitted) (citing 28 U.S.C. § 2106).

16 *See Empire Life Ins. Co. of America v. Valdak Corp.*, 468 F.2d 330, 334 (5th Cir. 1972) ("[n]either the parties nor the trial judge, by agreement or passivity, can force us to abdicate our appellate responsibility"); *In re Berryman Products, Inc.*, 183 B.R. 463, 467 (N.D. Tex. 1995) ("parties by agreement cannot expand or limit a court's jurisdiction").

17 *See In re ECI Pharmaceuticals LLC*, 669 B.R. 617, 624-25 (Bankr. S.D. Fla. 2025) (declining, as a matter of comity, to proceed with an adversary proceeding where doing so could interfere with a pending appeal).

18 *Griggs v. Provident Consumer Disc. Co.*, 459 U.S. 56, 58 (1982), *superseded by statute on other grounds*.

19 *See In re Prudential Lines, Inc.*, 170 B.R. 222, 243-44 (S.D.N.Y. 1994).

20 *See TransUnion LLC v. Ramirez*, 594 U.S. 413, 424 (2021) ("federal courts do not issue advisory opinions").

plan (and related confirmation order) that fixes various parties' rights in an unknown future contingency is inappropriate and patently unconfirmable.

iii. The Proposed Plan Is Not Proposed in Good Faith

17. Section 1129(a)(3) of the Bankruptcy Code requires that a plan be proposed in good faith and not by any means forbidden by law. Courts generally hold that a chapter 11 plan is proposed in good faith only if it has a legitimate and honest purpose to reorganize the debtor.[21] Here, Section 12.15 of the Proposed Plan has no bearing whatsoever on the Debtor's ability to confirm a liquidating chapter 11 plan. Rather, it is purely a litigation tactic designed to advantage the Committee in the Settlement Appeal and the appeal of the Sale (together, the "***Appeals***") while directly violating the Court-approved Settlement Agreement. Courts have explained that where a plan is proposed for ulterior motives or the primary purpose of a plan is purely for litigation advantage, the good faith requirement is not satisfied.[22] As a result, the Proposed Plan has not been proposed in good faith and cannot be confirmed.

18. While no discovery has taken place, based on the original proposed plan filed by the Debtor and the *Motion of the Official Committee of Unsecured Creditors to Terminate the Debtor's Exclusive Periods Pursuant to 11 U.S.C. § 1121(d)(1)* [Docket No. 895], there also is an appearance of a conflict of interest in Mr. Pickering's approval of the Proposed Plan in exchange

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[21] *See, e.g., Kane v. Johns-Manville Corp.*, 843 F.2d 636, 649 (2d Cir. 1988); *In re LightSquared, Inc.*, 534 B.R. 522, 537-38 (S.D.N.Y. 2015); *In re Ditech Holding Corp.*, 606 B.R. 544, 578 (Bankr. S.D.N.Y. 2019).

[22] *See, e.g., In re Koelbl*, 751 F.2d 137, 139 (2d Cir. 1984) ("good faith has been found to be lacking if the plan was proposed for ulterior motives"); *In re Ditech Holding Corp.*, 606 B.R. 544, 578 (Bankr. S.D.N.Y. 2019) (explaining that a plan that "is proposed for ulterior motives not aligned with the Bankruptcy Code will fail to satisfy section 1129(a)(3)" of the Bankruptcy Code); *In re Zahoruiko*, 666 B.R. 856, 865 (Bankr. D. Conn. 2024) (holding that a plan was unconfirmable on bad faith grounds where the plan was primarily motivated by the debtor's "bad faith desire to hinder, delay, and impede [] collection activities with meritless litigation"); *In re W.R. Grace & Co.*, 475 B.R. 34, 88 (D. Del. 2012) ("[i]n analyzing whether a plan has been proposed for honest and good reasons, courts routinely consider whether the debtor intended to abuse the judicial process, whether the plan was proposed for ulterior motives, or if no realistic possibility for effective reorganization exists").

for a release for himself and Mr. Vomero, the Debtor's chief restructuring officer. As the redline filed at Docket No. 964 shows, the Proposed Plan now supported by the Committee: (1) added Sections 10.14 and 12.15 and certain related provisions to the Proposed Plan to advantage the Committee in the Settlement Appeal and (2) Mr. Pickering and Mr. Vomero were included in the release provisions in the Proposed Plan even though those releases were previously opposed by the Committee. This gives the appearance that Mr. Pickering and the Debtor's chief restructuring officer are receiving direct and demonstrable benefits for themselves under the Proposed Plan – releases – in exchange for agreeing to drop the Debtor's defense of the Appeals, which runs counter to the Settlement Agreement, not to mention the positions Mr. Pickering took before this Court when he urged approval of the Settlement Agreement during multiple hearing days. If this is proved to be what occurred during negotiations over the Proposed Plan, Courts have found that a debtor representative's breach of fiduciary duties taints the plan formulation process and may defeat plan confirmation on good faith grounds.[23]

19. As set forth above, the breaches of the Settlement Agreement are of significant detriment to the Debtor and its stakeholders, as the resulting administrative claims will render the Debtor administratively insolvent and leave no value for the Debtor's unsecured creditors. This is compounded by the fact that defending the Settlement Appeal simply involves appellate briefing

[23] "The duty of loyalty mandates that the best interest of the corporation and its shareholders takes precedence over any interest possessed by a director . . . [and] [t]he classic example that implicates the duty of loyalty is when a fiduciary . . . receives a personal benefit not shared by all shareholders." *In re Autobacs Strauss, Inc.*, 473 B.R. 525, 562 (Bankr. D. Del. 2012) (citations omitted); s*ee also In re Bush Industries, Inc.*, 315 B.R. 292, 306 (Bankr. W.D.N.Y. 2004) (finding that a plan was proposed by means forbidden by law and in contradiction of the requirement of good faith where an officer violated his fiduciary duties when he negotiated a contract that benefitted himself to the detriment of other stakeholders); *In re TCI Holdings, LLC*, 428 B.R. 117, 143-44 (Bankr. D. N.J. 2010) (explaining that "a demonstration of a breach of fiduciary duty by officers or directors of a debtor may certainly defeat the confirmability of the debtors' plan on lack of good faith grounds"); *In re Coram Healthcare Corp.*, 271 B.R. 228, 240 (Bankr D. Del. 2001) (denying confirmation of a plan on lack of good faith grounds where a CEO violated the duty of loyalty where he had a separate agreement with one of the debtor's largest creditors, tainting the debtor's reorganization efforts).

(much of it already outlined in the context of the defeated stay pending appeal motions) and argument which, in the context of the fees this case has already generated, would seem to be a modest incremental cost. The Proposed Plan was not proposed in good faith and is patently unconfirmable for this additional reason.

B. The Proposed Disclosure Statement Lacks Adequate Information

20. Pursuant to section 1125 of the Bankruptcy Code, a disclosure statement must contain "adequate information."[24] Whether a disclosure statement contains adequate information is "determined on a case-specific basis."[25] In determining whether a disclosure statement provides adequate information, "courts have held that 'a disclosure statement must contain all pertinent information bearing on the success or failure of the proposals in the plan of reorganization. A disclosure statement should likewise contain all material information relating to the risks posed to creditors and equity interest holders under the proposed plan of reorganization.'"[26] Information is material where it "would enable a hypothetical reasonable investor typical of claims or interests of the relevant class to make an informed judgment about the plan,"[27] and "an omitted fact is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding how to vote."[28]

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[24] 11 U.S.C. § 1125(a)(1) (stating "Adequate Information" means: "information of a kind, and in sufficient detail. . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, . . . in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information…").

[25] *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988).

[26] *In re Avianca Holdings S.A.*, 632 B.R. 124, 130 (Bankr. S.D.N.Y. 2021) (quoting *In re Cardinal Congregate I*, 121 B.R. 760, 765–66 (Bankr. S.D. Ohio 1990)).

[27] *In re Crowthers McCall Pattern, Inc.*, 120 B.R. 279, 300 (Bankr. S.D.N.Y. 1990) (quoting H.R.Rep. No. 595, 95th Cong., 1st Sess. 408 (1977), U.S.Code Cong. & Admin. News 1978 pp. 5787, 6364).

[28] *Id.* (quoting *TSC Indus., Inc. v. Northway, Inc.,* 426 U.S. 438, 449 (1976)).

21. The Proposed Disclosure Statement makes no mention that the Proposed Plan violates the Settlement Agreement or that the Proposed Plan as drafted could lead to significant administrative claims against the Debtor and therefore may leave the Debtor administratively insolvent. The Proposed Disclosure Statement certainly does not contain all information bearing on the success or failure of the Proposed Plan, and does not contain all material information relating to the risks posed to creditors. The risk of administrative insolvency is extremely material, as it would negatively impact the recoveries of the Debtor's creditors, which undoubtedly is an important factor in a creditor's decision how to vote on the Proposed Plan.

22. Further, the Proposed Disclosure Statement does not adequately disclose the risk of appeal outcomes. Section 9.1(e) of the Proposed Disclosure Statement incorrectly provides that "[t]he Global Settlement, by its own terms, cannot be fully implemented until the Global Settlement Order becomes final and non-appealable. Accordingly, an adverse ruling could affect the finality of the Global Settlement Order and, in turn, the timing of distributions contemplated under the Global Settlement and the Plan." This is patently incorrect. The Vanderbilt Settlement Parties waived the Final Order Condition, and the Settlement Agreement was fully implemented on June 10, 2026, in connection with the Sale. There are no contemplated future distributions under the Settlement Agreement.

23. The real risk – that has not been highlighted – is that the Proposed Plan reserves $11 million for the Committee to pursue an appeal that both this Court and the District Court have held is not likely to succeed on the merits. The fact that the Proposed Plan contemplates that significant funds will be spent on the Settlement Appeal that is not likely to be successful is material. Such funds could instead be distributed to creditors, which is an incredibly important factor for creditors to consider when voting on the Proposed Plan. Because the Proposed

Disclosure Statement does not contain adequate information, the Motion must be denied for this additional reason.

CONCLUSION AND RESERVATION OF RIGHTS

24. The Proposed Disclosure Statement contains no mention of the clear violation of the Settlement Agreement or the litigation and administrative insolvency risks that arise as a result. Nor does the Proposed Disclosure Statement adequately describe the fact that significant funds will be spent on a Settlement Appeal that two courts have found is not likely to succeed on the merits. The Proposed Disclosure Statement therefore lacks adequate information.

25. The substantial damages claims that the Vanderbilt Settlement Parties will have if the Debtor proceeds with the Proposed Plan will render the Debtor administratively insolvent. The Proposed Plan also attempts to pre-determine and limit the relief an appellate court may grant. Further, Section 12.15 was added to the Proposed Plan purely to confer a litigation advantage on the Committee in the Settlement Appeal and is otherwise totally unnecessary to the Debtor's liquidating chapter 11 plan. As a result, the Proposed Plan was not proposed in good faith. The Proposed Plan is therefore patently unconfirmable.

26. The resolutions to these fatal flaws with the Proposed Plan are simple and cost-effective – eliminate the provisions in the Proposed Plan that violate the terms of the Settlement Agreement as set forth on Exhibit B, or wait until the Settlement Appeal is resolved before attempting to confirm a chapter 11 plan.

27. If the Court is inclined to treat these objections as confirmation objections, R.T. Vanderbilt reserves all rights to seek discovery under applicable rules governing contested matters and object to confirmation of the Proposed Plan on any and all grounds in accordance with the schedule approved by the Court. There may be other significant flaws with the Proposed Plan,

including the *Vanderbilt Liquidation Trust Distribution Procedures* [Docket No. 990-1] and the best interests analysis that R.T. Vanderbilt intends to explore through discovery. Similarly, R.T. Vanderbilt reserves all rights and remedies under the Settlement Agreement.

Wherefore, R.T. Vanderbilt respectfully requests that the Court deny the Motion in its entirety and grant such other relief as the Court deems just and proper.

Dated: October 6, 2026

VINSON & ELKINS LLP

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Exhibit A

May Letter Agreement

Docusign Envelope ID: 2C1E128D-D6B1-8C3C-8217-8BE63BFBC6C0

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May 5, 2026

Ben Pickering
Independent Manager and Sole Member of the
Independent Special Committee of
Vanderbilt Minerals, LLC

VIA EMAIL
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Re: Waiver of Condition Precedent to Effectiveness of Settlement Agreement

Mr. Pickering:

Reference is made to that certain *Settlement and Release Agreement*, dated as of February 15, 2026 (as amended or modified as of the date hereof, including by this letter agreement, the "***Settlement Agreement***").[1] On April 27, 2026, the United States Bankruptcy Court for the Northern District of New York (the "***Bankruptcy Court***") issued the *Memorandum Decision on Motion to Approve Global Settlement* [Docket No. 491] (the "***Settlement Approval Opinion***"). On April 28, 2026, the Bankruptcy Court entered the *Order (I) Authorizing and Approving the Global Settlement Between the Debtor and R.T. Vamderbilt Holding Co., Inc. and Certain of its Subsidiaries; and (II) Granting Related Relief* [Docket No. 493] (the "***Settlement Approval Order***"). On April 29, 2026, the Official Committee of Unsecured Creditors filed a notice of appeal of the Settlement Approval Order [Docket No. 502] (the "***Settlement Appeal***"). In light of the Settlement Appeal, the Parties have agreed to the waiver set forth in this letter agreement (this "***Letter Agreement***") in accordance with section 7.3 of the Settlement Agreement.

The Debtor has requested that the Vanderbilt Settlement Parties agree to waive the condition that the Settlement Approval Order be a final and non-appealable order (the "***Final Order Condition***") before consummating various transactions set forth in the Settlement Agreement. The Vanderbilt Settlement Parties have agreed to waive the Final Order Condition subject to the terms and conditions of this Letter Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained, and intending to be legally bound, the Parties hereby agree as follows:

[1] Capitalized terms used herein and not otherwise defined have the meanings given to them in the Settlement Agreement.

1. CONSENT TO WAIVER OF THE FINAL ORDER CONDITION.

(a) Consent. The Debtor hereby expressly acknowledges and agrees that, before giving effect to the consent set forth in this Letter Agreement, the Parties have various obligations under the Settlement Agreement, including under sections 2.2, 2.3, 3.2 and 3.3 of the Settlement Agreement, that cannot be consummated absent satisfaction of the Final Order Condition. At the request of the Debtor, the Vanderbilt Settlement Parties hereby agree to waive the Final Order Condition effective as of the date that all of the conditions set forth in Section 1(b) below have been satisfied (the "***Consent Effective Date***") and subject to the Debtor's continued compliance with the terms of the Settlement Agreement, as modified by this Letter Agreement.

(b) Conditions to the Consent. For the Consent Effective Date to occur, the Vanderbilt Settlement Parties shall have received on or before May 15, 2026:

(i) a counter-signed copy of this Letter Agreement from the Debtor that will formally evidence the Debtor's waiver of the Final Order Condition and acknowledge and agree to the terms and conditions under which the Vanderbilt Settlement Parties are willing to waive the Final Order Condition;

(ii) a true and complete copy of the order of the Bankruptcy Court (the "***Sale Order***") approving the sale of all of the assets contemplated to be sold to the Stalking Horse Bidder for at least the purchase price contemplated under the Stalking Horse Agreement or higher to the Successful Bidder selected after the conclusion of the Auction, which Sale Order shall overrule in their entirety the objections set forth in the *Objection of the Official Committee of Unsecured Creditors to Motion of the Debtor and Debtor in Possession for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets, (B) Authorizing the Debtor to Enter Into the Stalking Horse Agreement and to Provide Bidding Protections Thereunder, (C) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtor's Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief* [Docket No. 488] and any similar objections filed by any other party in interest;[2]

(iii) a true and complete copy of a written and fully executed agreement between the Debtor and the Successful Bidder that such bidder has agreed to close and consummate the Sale on or before June 23, 2026 notwithstanding the Settlement Appeal or any appeal of the Sale Order;

[2] Capitalized terms used in this section have the meanings given to them in the *Order (I) Approving Bidding Procedures for the sale of Substantially All of the Debtor's Assets, (II) Authorizing the Debtor to Enter Inot the Stalking Horse Agreement and to Provide Bidding Protections Thereunder, (III) Scheduling a Auction and Approving the Form and Manner of Notice Thereof, (IV) Approving Assumption and Assignment Procedures, (V) Scheduling a Hearing and Approving the Form and Manner of Notice Thereof and (V) Granting Related Relief* [Docket No. 244].

(iv) evidence satisfactory to the Vanderbilt Settlement Parties in their sole and absolute discretion that no orders or relief have been entered or granted by the Bankruptcy Court or any other court that result in a Settlement Modification; and

(v) an executed amendment to the Chemicals Lender Consent whereby the Chemicals Lender consents to the terms and conditions of this Letter Agreement.

2. CONDITIONS TO THE EFFECTIVENESS OF THIS LETTER AGREEMENT. The effectiveness of this Letter Agreement is subject to the receipt by the Vanderbilt Settlement Parties of a counterpart of this Letter Agreement, duly executed and delivered by the Debtor.

3. CONFORMING CHANGES TO THE SETTLEMENT AGREEMENT. In light of the waiver of the Final Order Condition, the Parties expressly acknowledge and agree that the following clarifications of the Settlement Agreement are required:

(a) under Section 3.1(g) of the Settlement Agreement, the Debtor, through Mr. Pickering and his counsel at Katten Muchin Rosenman LLP, shall take all actions required to obtain the Settlement Appeal Resolution by the Settlement Appeal Resolution Outside Date;

(b) Holdings' rights under Sections 4.1(h) and (i) of the Settlement Agreement shall apply if a Settlement Modification occurs;

(c) under Section 7.13(c) of the Settlement Agreement, the Chemicals Lender Consent must be obtained no later than May 15, 2026, and the reference to the "Settlement Approval Outside Date" shall be replaced with "Settlement Appeal Resolution Outside Date."

(d) the "fiduciary out" in Section 7.13(d) of the Settlement Agreement will be deemed to have expired on the Sale Closing Date.

(e) for the avoidance of doubt, any Settlement Modification after the execution of this Letter Agreement shall be treated as a breach of the Settlement Agreement by the Debtor. All rights and remedies of the Vanderbilt Settlement Parties at equity or at law as a result of such breach, including those set forth in the Settlement Agreement, are expressly reserved and preserved.

4. DEFINED TERMS. As used herein, the following terms shall have the meanings set forth below:

"***Settlement Appeal Resolution***" means the denial, dismissal or other resolution of the Settlement Appeal in a manner that does not alter, amend or otherwise impact or modify the terms and conditions of the Settlement Agreement and is otherwise fully and finally resolved by affirmance or, if that is not the case, in a manner acceptable to the Vanderbilt Settlement Parties in their sole and absolute discretion and results in the Settlement Approval Order becoming a final order, that has not been modified, reversed, vacated, or stayed and as to which the time to appeal has expired and no appeal is then pending.

"***Settlement Appeal Resolution Date***" shall mean the date on which the Settlement Appeal Resolution occurs.

"***Settlement Appeal Resolution Outside Date***" shall mean July 1, 2026, or such later date as the Vanderbilt Settlement Parties may agree in writing in their sole and absolute discretion.

"***Settlement Modification***" shall mean any change, alteration, amendment, limitation, modification, reversal, vacation or stay of the Settlement Agreement, the Settlement Approval Order and/or the Settlement Approval Opinion or change or limitation to any rights, remedies and arguments the Vanderbilt Settlement Parties have or may have under the Settlement Agreement, the Settlement Approval Order and/or the Settlement Approval Opinion, including with regard to the mootness of the Settlement Appeal, in each case that is made or occurs without the express written consent of the Vanderbilt Settlement Parties.

5. MISCELLANEOUS.

(a) Effect of this Letter Agreement. Except as set forth expressly herein, all terms of the Settlement Agreement shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Parties. This Letter Agreement sets forth the entire understanding of the Parties hereto with respect to the matters set forth herein, and shall supersede any prior negotiations or agreements, whether written or oral, with respect thereto. The execution, delivery and effectiveness of this Letter Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Vanderbilt Settlement Parties under the Settlement Agreement, nor constitute a waiver of any provision of the Settlement Agreement except as expressly set forth herein). This Letter Agreement shall be binding on any chapter 11 trustee, chapter 7 trustee, liquidating trustee, or other estate representative appointed to succeed to the Debtor.

(b) No Admissions; No Waivers of Privilege. Nothing in this Letter Agreement, or in any negotiations, discussions, correspondence, or other materials of any kind relating to this Letter Agreement or relating to the negotiation of this Letter Agreement, shall be construed as an admission by any Party with respect to any matter or any factual or legal issue of any kind. To the extent a Settlement Modification occurs, all Parties' respective rights, claims, causes of action, and defenses shall be fully reserved and preserved. All communications (whether oral or in writing) between and/or among the Parties, their counsel, and/or their respective representatives relating to, concerning, or in connection with this Letter Agreement, or the matters covered hereby and thereby, shall be governed and protected in accordance with the Federal Rule of Evidence 408 and state law equivalents to the fullest extent permitted by law. Nothing in this Letter Agreement waives or shall be deemed to waive any Party's work-product protection or right to claim the protections of any applicable privilege, including attorney-client privilege, common-interest privilege, or mediation privilege.

(d) Settlement Agreement Provisions. To the extent not expressly modified by the terms of this Letter Agreement, the terms of the Settlement Agreement continue to apply and shall be deemed to be incorporated herein by reference *mutatis mutandis*.

(e) Counterparts. This Letter Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same Letter Agreement. Execution of any such counterpart may be by means of (i) an electronic

signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic signatures law; (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Any party delivering an executed counterpart of this Letter Agreement by faxed, scanned or photocopied manual signature shall also deliver an original manually executed counterpart, but the failure to deliver an original manually executed counterpart shall not affect the validity, enforceability and binding effect of this Letter Agreement.

[Signature Page Follows]

Signed by:

R.T. VANDERBILT HOLDING COMPANY, INC.

By: DocuSigned by: Randall Johnson
9945EF343A9E44A...
Name: Randall L. Johnson
Title: President

VANDERBILT GLOBAL SERVICES, LLC

By: Signed by: Eli Flores
9B0DF837E079EC...
Name: Eli Flores
Title: President

VANDERBILT CHEMICALS, LLC

By: Signed by: Chris Nola
CAC80DFA3C8541B...
Name: Chris Nola
Title: President

ADVANCED MILLING TECHNOLOGIES, LLC

By: DocuSigned by: Randall Johnson
9945EF343A9E44A...
Name: Randall L. Johnson
Title: Manager

VANDERBILT WORLDWIDE, LTD.

By: Signed by: Douglas Webster
9D1442478FB34E2...
Name: Douglas Webster
Title: Manager

Docusign Envelope ID: 2C1E428D-D6B1-8C3C-8217-8BE63BFBC6C0

Acknowledged and Agreed:

DEBTOR
VANDERBILT MINERALS, LLC

Signed by:
Ben Pickering
84849E250F2C4F7...

Name: Ben Pickering
Title: Independent Manager

Exhibit B

Proposed Plan Modifications

Proposed Plan Modifications	
Article 10.14	• All references in Article 10.14 of the Plan related to mootness shall be deleted in their entirety.
Article 12.15	• Article 12.15 of the Plan shall be deleted in its entirety and replaced with the following: "This Plan and the Confirmation Order shall not affect the continuation of the pending appeals of the Global Settlement Order (the "***Settlement Appeals***") and the Sale Order (the "***Sale Appeal***" and together with the Settlement Appeals, the "***Appeals***"). Following the Effective Date, the Creditors' Committee shall continue to have standing to prosecute the Appeals on behalf of the Creditors' Committee, the Independent Manager and his counsel at Katten Muchin Rosenman LLP ("***Katten***") shall continue to have standing to participate in the Settlement Appeal as a representative of the Debtor in accordance with the Debtor's obligations to obtain a Settlement Appeal Resolution under the Settlement Agreement, and the Debtor and counsel for the Debtor shall continue to have standing to defend the Sale Appeal. Nothing in the Plan or the Confirmation Order shall alter, amend or modify in any respect the Debtor's obligations under the Settlement Agreement and all of the Vanderbilt Settlement Parties rights, claims, defenses and remedies under the Settlement Agreement are expressly reserved and preserved. On the Effective Date, a segregated reserve account (the "***Appeal Reserve***") shall be established in an amount sufficient to equally fund the fees and expenses of Committee counsel, Katten and Debtor's counsel to participate in the Appeals until they are fully and finally resolved by final, non-appealable orders (the "***Appeal Reserve Amount***"). Any funds remaining in the Appeal Reserve after the Appeals are fully and finally resolved by final, non-appealable orders shall be returned to the Liquidation Trust."
Definition of Retained Causes of Action	• The following sentence shall be modified: "Retained Causes of Action shall also include any Causes of Action that are restored to the Debtor or the Estate by an order of the Bankruptcy Court or an appellate court." • The following sentence shall be added: "Any Cause of Action released pursuant to the Global Settlement Order shall not be a Retained Cause of Action."
Definition of VLT Assets	• The following provision shall be modified: "and any Causes of Action that are restored to the Debtor or the Estate by a final order of the Bankruptcy Court or an appellate court."
Article 11.1(v)	• Article 11.1(v) shall be deleted in its entirety.
Article 12.14	• The following provision shall be deleted in its entirety: "except that any post-Effective Date fees and expenses related to the Settlement Appeal or the Sale Appeal shall be payable from the VLT Operating Reserve."

Exhibit C

Professional Fee Chart

Applicant	**Fees Requested**	**Expenses Requested**	**Total**	**Application Period**
Bond, Schoeneck & King, PLLC *Co-counsel for the Debtor*	$995,199.50	$20,238.54	$1,015,438.04	2/16/26 – 6/30/26
Latham & Watkins, LLP *Co-counsel for the Debtor*	$11,466,225.50	$61,497.50	$11,527,723.00	4/19/26 – 8/30/26
Katten Muchin Rosenman LLP *Counsel for Debtor at sole direction of Ben Pickering*	$3,172,672.50	$46,219.21	$3,218,891.71	2/16/26 – 7/30/26
Greenhill & Co., LLC *Investment Banker for Debtor*	$3,875,000.00	$23,921.03	$3,898,921.03	2/16/26 – 9/17/26
Brown Rudnick LLP *Co-counsel to Committee*	$6,331,676.50	$172,947.27	$6,504,623.77	3/5/26 – 8/30/36
Caplin & Drysdale, Chartered *Co-counsel to Committee*	$2,200,948.50	$76,805.93	$2,277,754.43	3/5/26 – 7/30/26
Cohen Ziffer Frenchman & McKenna LLP *Co-counsel to Committee*	$297,597.50	$0.00	$297,597.50	3/9/26 – 8/30/26
Province, LLC *Financial Advisor to Committee*	$3,280,740.00	$4,552.61	$3,285,292.61	3/7/26 – 8/30/26
Totals:	**$31,620,060.00**	**$406,182.09**	**$32,026,242.09**	