Docket #1028 Date Filed: 10/13/2026

**UNITED STATES BANKRUPTCY COURT**
**FOR THE NORTHERN DISTRICT OF NEW YORK**

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| In re: | Chapter 11 |
| Vanderbilt Minerals, LLC, | Case No. 26-60110 (WAK) |
| Debtor.[1] | Related Docket Nos. 859, 1016 |

**REPLY OF THE DEBTOR AT THE SOLE DIRECTION OF THE INDEPENDENT MANAGER AND SOLE MEMBER OF THE INDEPENDENT SPECIAL COMMITTEE TO R.T. VANDERBILT'S OBJECTION AND RESERVATION OF RIGHTS TO THE MOTION OF DEBTOR FOR ENTRY OF AN ORDER APPROVING PROPOSED DISCLOSURE STATEMENT AND RELATED RELIEF**

Syracuse Minerals, LLC (f/k/a Vanderbilt Minerals, LLC) (the "Debtor" or "Minerals"), at the direction of Ben Pickering, in his capacity as independent manager ("Independent Manager") and sole member of the independent special committee (the "Independent Special Committee"), by and through his undersigned counsel, submits this reply (this "Reply") in support of 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"),[2] and in response to R.T. Vanderbilt's Objection and Reservation of Rights to the Motion [Docket No. 1016] (the "RTV Objection" or "RTV Obj."). This Reply addresses only the RTV Objection's contentions that the

[1] The Debtor is Syracuse Minerals, LLC (f/k/a Vanderbilt Minerals, LLC) (EIN 13-1432885). The Debtor's noticing address in this chapter 11 case is 33 Winfield Street, Norwalk, Connecticut 06855.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion, the Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC, dated September 15, 2026 [Docket No. 962] (as may be amended, the "Proposed Plan"), or the RTV Objection, as applicable.

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Proposed Plan breaches the Settlement Agreement, that the Independent Manager has not acted in good faith, and that R.T. Vanderbilt holds administrative claims. In support of the Motion and this Reply, the Debtor, at the sole direction of the Independent Manager, respectfully states as follows:

**PRELIMINARY STATEMENT**

1. By any measure, this chapter 11 case has been a success. The Court's approval of the Intercompany Settlement on April 28, 2026 brought critical assets into the estate, which made possible a $64 million going-concern sale that closed on June 10, 2026, and resolved the estate's claims against R.T. Vanderbilt Holding Co., Inc. and certain of its subsidiaries (collectively, "R.T. Vanderbilt") without costly and uncertain litigation. This Court and the District Court have both denied the Committee's requests to stay the Settlement Approval Order pending appeal. With the sale complete, the estate is best served by working constructively toward confirmation of a chapter 11 plan and bringing this case to a close.

2. The Independent Manager's goal is confirmation of a consensual chapter 11 plan. To that end, he has made constructive proposals to both R.T. Vanderbilt and the Committee to resolve their disagreement over his continued role in the Settlement Appeal, and that of his counsel Katten Muchin Rosenman LLP ("Katten"). Specifically, the Independent Manager has offered to continue as a representative of the Debtor and defend the Settlement Appeal. He has also offered to do so at a reduced monthly rate, commensurate with the more limited responsibilities that role will entail after confirmation. Katten has agreed to provide legal services at the Independent Manager's direction as efficiently as possible, and has agreed that the estate's responsibility for its post-confirmation fees and expenses will be limited to the amount to be reserved for that purpose under the Proposed Plan. These commitments and concessions should resolve R.T. Vanderbilt's objection on this issue and allow the Proposed Plan to proceed to confirmation. As of the filing of

this Reply, however, neither R.T. Vanderbilt nor the Committee has agreed to this proposed resolution.

3. The Court has a straightforward path available to resolve the issue. It can condition confirmation on a plan modification that reserves a modest portion of distributable value to compensate the Independent Manager and Katten for continuing to defend the Settlement Appeal. R.T. Vanderbilt itself describes the cost of that defense as "a modest incremental cost." RTV Obj. ¶ 19. The Independent Manager will provide a proposed budget at or before the confirmation hearing. Any unused funds would revert to the Liquidation Trust for distribution to creditors.

4. The Independent Manager's willingness to continue in his role for the Settlement Appeal is not an admission that the Debtor has breached the Settlement Agreement. As explained below, the Debtor has not breached the Settlement Agreement, the Independent Manager and Katten cannot be compelled to perform services, and R.T. Vanderbilt does not have a valid administrative claim.

5. In any event, these are confirmation issues. Because any concern can be addressed through a plan modification, the Proposed Plan is not patently unconfirmable, and the Court should approve the Disclosure Statement.

## REPLY

### A. The Proposed Plan Is Not a Breach of the Settlement Agreement.

6. As originally executed, the Settlement Agreement conditioned certain of the parties' obligations on the Settlement Approval Order becoming a final, non-appealable order (the "Final Order Condition"). The Committee appealed the Settlement Approval Order on April 29, 2026, the day after it was entered (the "Settlement Appeal"). So that the sale could close despite the Settlement Appeal, the Debtor and R.T. Vanderbilt entered into a letter agreement, dated May

5, 2026 (the "May Letter Agreement"), to waive the Final Order Condition. The sale closed on June 10, 2026, and the Intercompany Settlement was fully implemented.

7. The May Letter Agreement includes several "clarifications" of the Settlement Agreement. The clarification at issue here provides that "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***," which was July 1, 2026. May Letter Agreement § 3(a) (emphasis added).[3]

8. July 1, 2026 passed without a Settlement Appeal Resolution, and there was no agreement to extend the Outside Date before it passed. More than two months later, on September 8, 2026, R.T. Vanderbilt sent the Independent Manager a letter declaring the Debtor's failure to obtain a Settlement Appeal Resolution by July 1 a "breach," and stating that R.T. Vanderbilt "will agree to extend" the Outside Date to December 31, 2026 "to cure this breach." It also reserved the right to extend the date further in R.T. Vanderbilt's "sole and absolute discretion." The Settlement Appeal remains pending before the District Court.

9. R.T. Vanderbilt now argues that the Settlement 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." RTV Obj. ¶ 5. It argues further that the Proposed Plan breaches that obligation because it does not provide for their continued role after the Effective Date. *Id.* ¶ 6. The text does not support that reading.

[3] A "Settlement Appeal Resolution" is defined, in substance, as a resolution of the Settlement Appeal that leaves the Settlement Approval Order final and unmodified. May Letter Agreement § 4. The "Settlement Appeal Resolution Outside Date" (hereinafter, "Outside Date") means "July 1, 2026, or such later date as the Vanderbilt Settlement Parties may agree in writing in their sole and absolute discretion." May Letter Agreement § 4.

**1. The Debtor's Obligation Under Section 3(a) Expired on July 1, 2026, and R.T. Vanderbilt Cannot Unilaterally Revive It.**

10. Section 3(a) required the Debtor to take the actions required to obtain a Settlement Appeal Resolution "by" the Outside Date. The Outside Date was "July 1, 2026, or such later date as the Vanderbilt Settlement Parties may agree in writing in their sole and absolute discretion." May Letter Agreement § 4. No extension was agreed before July 1, 2026, and the obligation lapsed on that date.

11. The September 8 letter does not change that result. An extension requires a later date that R.T. Vanderbilt "agree[s]" to in writing, and an agreement requires a counterparty. R.T. Vanderbilt's sole and absolute discretion is the discretion to grant or refuse an extension. It is not a right to impose one unilaterally, more than two months after the Outside Date has passed. R.T. Vanderbilt's letter itself reflects this, stating that R.T. Vanderbilt "will agree to extend" the Outside Date. The Debtor has not entered into any such agreement.

**2. Section 3(a) Required Actions, Not a Guaranteed Result, and the Debtor Performed.**

12. Section 3(a) does not require the Debtor to obtain a Settlement Appeal Resolution. It requires the Debtor to "take all actions required to obtain" one. May Letter Agreement § 3(a). That distinction matters. As an appellee, the Debtor cannot control the outcome or timing of the Settlement Appeal, which rest with the appellate courts. The Debtor could only control its own advocacy. Through July 1, 2026, the Independent Manager defended the Settlement Approval Order, including by successfully opposing the Committee's motions for a stay pending appeal in this Court and the District Court. The Debtor took the actions section 3(a) required, and the fact that the Settlement Appeal remains pending is not a breach.

**3. Section 3(a) Does Not Require the Independent Manager or Katten to Remain in Place Indefinitely.**

13. R.T. Vanderbilt reads section 3(a) to require the Independent Manager and Katten to remain in place for as long as R.T. Vanderbilt chooses to extend the Outside Date. RTV Obj. ¶ 5. The agreements do not say that. To the contrary, both bind the Debtor's successors, including any "liquidating trustee" and any "Estate representative(s) appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code." Settlement Agreement § 7.5; May Letter Agreement § 5(a). The parties expected that the Debtor would be wound down under a plan and that someone other than the Independent Manager would eventually act for it.

14. Moreover, what R.T. Vanderbilt seeks is the continued personal services of the Independent Manager and his counsel. No agreement can compel an individual or a law firm to keep performing services against their will, and certainly not without compensation. Yet the Proposed Plan, as currently drafted, provides no funding for the Independent Manager or Katten to continue defending the Settlement Appeal after the Effective Date. R.T. Vanderbilt's reading of section 3(a) would therefore require them to provide those services for free. That cannot be what the parties intended. The Independent Manager has not refused to continue. In fact, he has offered to do so at a reduced rate commensurate with his more limited responsibilities. If confirmation is conditioned on a plan modification providing that funding, this issue should be resolved.

**4. The Proposed Plan Does Not Limit R.T. Vanderbilt's Mootness Arguments.**

15. R.T. Vanderbilt also argues that section 12.15 of the Proposed Plan, together with related language in section 10.14, is a "Settlement Modification" under the May Letter Agreement because it limits arguments that R.T. Vanderbilt may have about mootness. RTV Obj. ¶ 7. But "Settlement Modification" is defined as a limitation on arguments R.T. Vanderbilt has or may have, May Letter Agreement § 4, and the Proposed Plan addresses only what the Debtor and the

Independent Manager may argue. Nothing in the Proposed Plan prevents R.T. Vanderbilt, which is an appellee in its own right, from arguing that the Settlement Appeal is moot. The appellate court will decide that question.

**B. The Independent Manager Has Acted in Good Faith.**

16. R.T. Vanderbilt suggests that the Independent Manager supported the Proposed Plan in exchange for a release. RTV Obj. ¶ 18. He did not. After the sale closed, the Independent Manager concluded that the estate would be best served by a consensual chapter 11 plan supported by its principal creditor constituency. The alternative was a contested confirmation process that would consume estate resources and delay distributions to creditors, or, worse, a conversion to chapter 7. The Independent Manager's open offer to continue defending the Settlement Appeal cannot be squared with R.T. Vanderbilt's suggestion that he has abdicated his responsibilities. Further, any release or exculpation under the Proposed Plan remains subject to this Court's review at confirmation.

**C. R.T. Vanderbilt Does Not Hold a Valid Administrative Claim.**

17. Because there has been no breach, there is no claim for damages, administrative or otherwise. The Settlement Agreement also provides no administrative priority for damages for breach. Where the parties intended administrative priority, they said so expressly. Settlement Agreement §§ 3.3(d), 4.1(b), (d), (f), (g). No administrative claim has been filed, and any claim R.T. Vanderbilt asserts can be addressed if and when it does so.

**D. These Are Confirmation Issues That Do Not Bar Approval of the Disclosure Statement.**

18. Each of these matters goes to confirmation, not to the adequacy of the Disclosure Statement. None makes the Proposed Plan patently unconfirmable, and the reserve proposed above would resolve them. The Debtor remains committed to a consensual resolution and believes one

is within reach. In the meantime, the RTV Objection provides no basis to deny approval of the Disclosure Statement.

**WHEREFORE**, the Debtor, at the sole direction of the Independent Manager, respectfully requests that the Court (i) approve the Disclosure Statement, (ii) consider, at or before confirmation, a plan modification reserving a modest portion of distributable value, in an amount to be determined, to compensate the Independent Manager and Katten for continuing to defend the Settlement Appeal, and (iii) grant such other and further relief as is just and proper.

Dated: October 13, 2026
New York, New York

Respectfully submitted,

*/s/ Cindi M. Giglio*

**KATTEN MUCHIN ROSENMAN LLP**
Cindi M. Giglio
Marc B. Roitman
Summer M. McKee
50 Rockefeller Plaza
New York, NY 10020-1605
Telephone: (212) 940-8700
Email: cgiglio@katten.com
marc.roitman@katten.com
summer.mckee@katten.com

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**KATTEN MUCHIN ROSENMAN LLP**
Daniel Barnowski
1919 Pennsylvania Avenue NW, Suite 800
Washington, DC 20006-3404
Telephone: (202) 625-3500
Email: dan.barnowski@katten.com

*Counsel to the Debtor, at the Sole Direction of the Independent Manager*