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Counsel to the Litigation Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	
)	Chapter 11
AEGEAN MARINE PETROLEUM)	
NETWORK, INC., <i>et al.</i> , ¹)	18-13374 (MEW)
)	
Reorganized Debtors.)	Jointly Administered

**NOTICE OF LITIGATION TRUST’S QUARTERLY REPORT FOR
THE PERIOD JANUARY 1, 2021 THROUGH MARCH 31, 2021**

PLEASE TAKE NOTICE that the litigation trust (the “Litigation Trust”) established to facilitate the implementation of the *Joint Plan of Reorganization of Aegean Marine Petroleum Network, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated March 22, 2019, through its undersigned counsel, hereby files the *Litigation Trust’s Quarterly Report for the Period January 1, 2021 through March 31, 2021*, a copy of which is attached hereto as **Exhibit A**.

¹ Pursuant to orders of the Court, the chapter 11 cases of the Reorganized Debtors other than Aegean Marine Petroleum S.A. (Case No. 18-13400 (MEW)) have been closed. Aegean Marine Petroleum Network, Inc. (Case No. 18-17334 (MEW)) (“Aegean”) is not a Reorganized Debtor.

Dated: New York, New York
May 17, 2021

AKIN GUMP STRAUSS HAUER & FELD LLP

By: /s/ Abid Qureshi

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EXHIBIT A

Quarterly Report for the Period January 1, 2021 through March 31, 2021

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	
)	Chapter 11
AEGEAN MARINE PETROLEUM NETWORK INC., <i>et al.</i> , ¹)	
)	Case No. 18-13374 (MEW)
Reorganized Debtors.)	
)	Jointly Administered

**LITIGATION TRUST’S QUARTERLY REPORT FOR THE PERIOD
JANUARY 1, 2021 THROUGH MARCH 31, 2021**

A. Background

1. This report (the “Report”) of the litigation trust (the “Litigation Trust”) established to facilitate the implementation of the *Joint Plan of Reorganization of Aegean Marine Petroleum Network, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated March 22, 2019 [Docket No. 503-1] (the “Plan”) has been prepared for the period of January 1, 2021 through March 31, 2021 (“Q1 2021”) pursuant to section 4.13 of the Litigation Trust

¹ Pursuant to orders of the Court, the chapter 11 cases of the Reorganized Debtors other than Aegean Marine Petroleum S.A. (Case No. 18-13400 (MEW)) have been closed. Aegean Marine Petroleum Network, Inc. (Case No. 18-17334 (MEW)) (“Aegean”) is not a Reorganized Debtor.

Agreement.² The financial data included in this Report has not been audited or reviewed by an independent registered public accounting firm and is subject to future adjustment, reclassification and/or reconciliation.

2. On November 6, 2018, Aegean Marine Petroleum Network Inc. (“Aegean”) and certain of its affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

3. On March 29, 2019, the Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Joint Plan of Reorganization of Aegean Marine Petroleum Network Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 503]. The Effective Date of the Plan occurred on April 3, 2019.

4. On the Effective Date, the Litigation Trust was created pursuant to the Plan and the Litigation Trust Agreement, dated as of April 3, 2019, by and among Aegean, the other Debtors and the Non-Debtor Subsidiaries, as settlors, and Peter Kravitz, as Trustee of the Litigation Trust (the “Litigation Trustee”). Pursuant to the Plan and Section 2.1 of the Litigation Trust Agreement, the initial members of the Litigation Trust Advisory Board, Patrick J. Bartels, Jr., Eugene I. Davis, and Raphael Wallander, were appointed jointly by the Committee and the Required Consenting Unsecured Noteholders to advise and consult with the Litigation Trustee with respect to the administration and management of the Litigation Trust.

B. Material Actions of the Litigation Trust and Progress of Liquidating the Litigation Trust Assets

5. As previously reported, following the Effective Date, and in consultation with the Litigation Trust Advisory Board, the Litigation Trust commenced a global asset recovery strategy

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

to pursue the Litigation Claims, including retaining professional advisors in connection therewith. Specifically, (i) pursuant to an engagement letter dated as of April 3, 2019, the Litigation Trust retained Reid Collins & Tsai LLP to serve as special litigation counsel in investigating and pursuing causes of action against the Debtors' former officers and directors, (ii) pursuant to an engagement letter dated as of May 29, 2019, the Litigation Trust retained Kobre & Kim LLP as counsel in the development and implementation of strategies seeking to recover value in connection with the removal of assets of, and damages caused to, Aegean by Dimitris Melisanidis ("Melisanidis") and others, the facts and circumstances surrounding the report by Aegean to the U.S. Securities & Exchange Commission and the U.S. Department of Justice, and the investigation by the Audit Committee of the Board of Directors of Aegean, with the exception of any potential causes of action against the Debtors' former officers and directors, and (iii) pursuant to a consulting agreement dated as of June 21, 2019, the Litigation Trust retained Donald Moore to assist the Litigation Trust with its investigation, prosecution and recovery of proceeds with respect to the Litigation Claims. The Litigation Trust has also retained local counsel in certain foreign jurisdictions to assist with the Litigation Trust's asset recovery strategy.

6. As previously reported, the Litigation Trust's appeal of the decision of the United States District Court for the Southern District of New York dismissing the Litigation Trust's suit against former Aegean directors and officers Nikolas Tavlarios, Peter Georgiopolous, John Tavlarios and George Konomos has been fully briefed, and was argued before a three-judge panel from the United States Court of Appeals for the Second Circuit on February 25, 2021. The parties now await the court's decision.

7. As previously reported, on August 2, 2019, the Litigation Trust brought claims in the District Court of Luxembourg ("Luxembourg District Court") against Grady Properties

Corporation S.A., Melisanidis, Georgios Melisanidis, OilTank Engineering & Consulting Ltd. (“OTE”), Leveret International S.A., George Tzannakos and Stylianos Kostopoulos (collectively, the “Luxembourg Defendants”). The Luxembourg Defendants have applied for a stay of the proceedings on various grounds, including jurisdiction and the existence of parallel criminal proceedings (the “Preliminary Issues”). However, the Luxembourg District Court has directed the parties to brief on both the Preliminary Issues and the merits of the proceedings. Briefing by the Luxembourg Defendants has continued through Q1 2021.

8. As previously reported, on August 7, 2019, on an *ex parte* application by the Litigation Trust, the District Court of Nicosia (the “Cyprus District Court”), Republic of Cyprus, in Application Number 309 / 2019, granted an interim freezing order over assets of certain defendants in the Luxembourg Action and Nitrolina Trustees Limited (“Nitrolina”). On December 11, 2020, the Cyprus District Court issued an order confirming the release of Nitrolina. The Litigation Trust filed an appeal against the Cyprus District Court’s order on December 23, 2020. Currently these appeals are pending.

9. As previously reported, the Litigation Trust sought and obtained the appointment of a receiver over OTE in Civil Action Number 2019-109 (the “RMI Action”) in the High Court of the Republic of the Marshall Islands (the “RMI Court”). The RMI Court appointed Chris Kennedy, of Alvarez & Marsal, Cayman Islands, as the receiver over OTE. On July 10, 2020, the Litigation Trust filed a motion for an extension of the receivership order in the RMI Action. As of the date of this Report, the receiver over OTE remains in place until August 21, 2021.

10. As of the conclusion of Q1 2021, the Litigation Trust had not entered into any settlements of the Litigation Claims or recovered any Litigation Trust Proceeds. Additional details regarding the status of the Litigation Claims will be provided in subsequent reports as appropriate.

C. Status of Claims Resolution and Distribution Process

11. As previously reported, on the Effective Date, Mercuria funded the Aegean Unsecured Claims Cash Pool in the amount of \$40 million. Pursuant to the Plan, the Litigation Trust established a Disputed Claims Reserve in the amount of \$4.18 million for the benefit of holders of Aegean Unsecured Claims that were not Allowed as of the Effective Date, and Holders of Allowed Aegean Unsecured Claims as of the Effective Date received their *pro rata* portion of the Aegean Unsecured Claims Cash Pool, less the amount of the Disputed Claims Reserve. The Litigation Trust is responsible for distributing funds in the Disputed Claims Reserve to Holders of Allowed Aegean Unsecured Claims as disputed claims are compromised, settled, allowed or disallowed.

12. The Litigation Trust and its advisors are in the process of reviewing proofs of claim filed in the chapter 11 cases, including any supporting documentation attached thereto, and reconciling the proofs of claim with the Debtors' books and records and the Schedules to determine the validity of the proofs of claim. On October 18, 2019, the Litigation Trust filed the *Litigation Trust's First Omnibus Objection to Claims (Amended and Superseded Claims, Duplicate Claims, Duplicate Noteholder Claims, and Insufficient Documentation Claims)* [Docket No. 610] (the "First Omnibus Claims Objection"). On November 19, 2019, the Court entered the *Order Disallowing and Expunging Claims* [Docket No. 626], which sustained the First Omnibus Claims Objection and disallowed and expunged the claims set forth on Schedules 1-4 thereto.

13. On May 15, 2020, the Litigation Trust filed the *Litigation Trust's Second Omnibus Objection to Claims (Equity Interest Claims)* [Docket No. 690] (the "Second Omnibus Claims Objection") and the *Litigation Trust's Third Omnibus Objection to Claims (Equity Interest Claims and Section 510(b) Claims)* [Docket No. 691] (the "Third Omnibus Claims Objection"). The

Second Omnibus Claims Objection sought to reclassify as equity interests one hundred (100) proofs of claim which represent equity interests, as opposed to claims, against Aegean. The Third Omnibus Claims Objection sought to reclassify as equity interests fifty-one (51) proofs of claim which represent equity interests, as opposed to claims, against Aegean, and sought to reclassify as Section 510(b) Claims nineteen (19) claims which assert claims arising from the claimant's purchase or ownership of stock pursuant to Bankruptcy Code section 510(b). On June 15, 2020, the Bankruptcy Court entered orders sustaining the Second Omnibus Claim Objection and the Third Omnibus Claim Objection and reclassifying the foregoing claims as equity interests or Section 510(b) Claims, as applicable. *See Order Reclassifying Claims* [Docket No. 699]; *Order Reclassifying Claims* [Docket No. 700].

14. On February 5, 2021, the Litigation Trust filed the *Litigation Trust's Fourth Omnibus Objection to Claims (Equity Interest Claims, Duplicate Noteholder Claims and Insufficient Documentation Claims)* [Docket No. 731] (the "Fourth Omnibus Claims Objection"). The Fourth Omnibus Claims Objection sought to reclassify as equity interests nine (9) proofs of claim which represent equity interests, as opposed to claims, against Aegean, and sought to disallow and expunge in their entirety twenty-eight (28) Duplicate Noteholder Claims and eleven (11) Insufficient Documentation Claims (each as defined therein). On March 11, 2021, the Bankruptcy Court entered an order sustaining the Fourth Omnibus Claim Objection, which reclassified as equity interests the claims set forth on Schedule 1 thereto and disallowed and expunged the claims set forth on Schedules 2-3 thereto. *See Order Reclassifying and Disallowing and Expunging Claims* [Docket No. 738].

15. The Litigation Trust is in the process of preparing additional objections to certain categories of claims that the Litigation Trust and its advisors believe should be disallowed, reclassified and/or expunged.

D. Financial Statements

16. The Litigation Trust's quarterly financial statements for Q1 2021 are attached hereto as **Schedule 1**.

Dated: New York, New York
May 17, 2021

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Schedule 1

Quarterly Financial Statements – January 1, 2021 through March 31, 2021

Aegean Litigation Trust
Balance Sheet
As of March 31, 2021

	<u>Accrual Basis</u> <u>Mar 31, 2021</u>
ASSETS	
Current Assets	
Checking/Savings	
Aegean LT-Disputed CI Rsrv 5528	4,223,597.99
Aegean LT-Operating 5510	11,025,150.72
Total Checking/Savings	<u>15,248,748.71</u>
Total Current Assets	15,248,748.71
Other Assets	
Litigation Assets	TBD
Total Other Assets	<u>0.00</u>
TOTAL ASSETS	<u><u>15,248,748.71</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	105,783.29
Total Accounts Payable	<u>105,783.29</u>
Total Current Liabilities	105,783.29
Long Term Liabilities	
Litigation Trust Loan	15,000,000.00
LT Funding Fee Payable	3,000,000.00
Total Long Term Liabilities	<u>18,000,000.00</u>
Total Liabilities	18,105,783.29
Equity	
Disputed Claims Reserve	4,179,910.69
Funding Fee	-3,000,000.00
Retained Earnings	-3,813,182.93
Net Income	-223,762.34
Total Equity	<u>-2,857,034.58</u>
TOTAL LIABILITIES & EQUITY	<u><u>15,248,748.71</u></u>

Aegean Litigation Trust
Profit & Loss
January through March 2021

Accrual Basis

Jan - Mar 2021

	<u>Jan - Mar 2021</u>
Ordinary Income/Expense	
Expense	
Bank Charges	829.84
Claims Agent Fees	2,489.52
Data Hosting	27,645.68
Legal & Professional Fees	
Board Member Fees	45,000.00
Reimbursable Expenses	1,210.82
Legal & Professional Fees - Other	139,744.33
Total Legal & Professional Fees	185,955.15
Trustee Reduced Admin Hourly	7,222.70
Total Expense	<u>224,142.89</u>
Net Ordinary Income	-224,142.89
Other Income/Expense	
Other Income	
Interest Income	380.55
Total Other Income	<u>380.55</u>
Net Other Income	380.55
Net Income	<u><u>-223,762.34</u></u>