

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

In re

ESSAR STEEL MINNESOTA LLC and  
ESML HOLDINGS INC.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 16-11626 (CTG)

(Jointly Administered)

**Hearing Date and Time:**

February 14, 2022 at 1:00 p.m. (ET)

**Objection Deadline:**

January 21, 2022 at 4:00 p.m. (ET)

**TENTH JOINT MOTION OF THE DISBURSING AGENT, THE SC  
LITIGATION TRUSTEE, AND THE UC LITIGATION TRUSTEE FOR AN  
ORDER EXTENDING DEADLINE FOR FILING OBJECTIONS TO CLAIMS**

Mesabi Metallics Company LLC (f/k/a Essar Steel Minnesota LLC) (“**Mesabi**”), as Disbursing Agent under the Plan (the “**Disbursing Agent**”), Bradley E. Scher, in his capacity as the Litigation Trustee for the SC Litigation Trust (the “**SC Litigation Trustee**”), and Kevin Nystrom, in his capacity as the Litigation Trustee for the UC Litigation Trust (the “**UC Litigation Trustee**,” together with the SC Litigation Trustee, the “**Litigation Trustees**”), hereby submit this tenth joint motion (the “**Motion**”) for entry of an order, pursuant to section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 9006(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Section 10.1 of Mesabi’s *Third Amended Chapter 11 Plan of Reorganization of Mesabi Metallics Company LLC (f/k/a Essar Steel Minnesota LLC) and ESML Holdings Inc.* [D.I. 990] (the “**Plan**”),<sup>2</sup> extending the Claim

<sup>1</sup> Essar Steel Minnesota LLC has changed its name to Mesabi Metallics Company LLC. The last four digits of Mesabi Metallics Company LLC’s federal taxpayer identification number are 8770. The last four digits of ESML Holdings Inc.’s federal taxpayer identification number are 8071.

<sup>2</sup> Where the context requires, each capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Plan.

Objection Deadline for the Disbursing Agent and the Litigation Trustees. In support of the Motion, the Disbursing Agent and the Litigation Trustees respectfully represent as follows:

I.

**BACKGROUND**

1. On July 8, 2016 (the “**Petition Date**”), Mesabi and ESML Holdings Inc. (“**Holdings**”) each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing their chapter 11 cases (the “**Chapter 11 Cases**”). Mesabi and Holdings were authorized to, and did, operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On August 9, 2016, this Court entered an order [D.I. 202] (the “**Bar Date Order**”) establishing: (a) September 30, 2016 at 4:00 p.m. (Pacific Time) (the “**Bar Date**”) as the final date and time for each person or entity (other than governmental units) to file proofs of claim for prepetition claims against the debtors; (b) October 30, 2016 at 4:00 p.m. (Pacific Time) as the deadline for co-debtors, sureties, and guarantors under section 501(b) of the Bankruptcy Code to file proofs of claim; and January 4, 2017 at 4:00 p.m. (Pacific Time) as the deadline for governmental units to file proofs of claim. The September 30, 2016 bar date was extended to October 30, 2016 for certain of Mesabi’s affiliates.

3. The Bar Date Notice was mailed to all known creditors on September 6, 2016 [D.I. 289]. In addition, on August 25, 2016, the Debtors published the Bar Date Notice in The Wall Street Journal (national edition), the Minneapolis Star Tribune, and the Hibbing Daily Tribune [D.I. 282]. To date, more than 200 proofs of claim have been filed in these Chapter 11 Cases, totaling approximately \$7 billion. Approximately \$3.7 billion of the total claims amount was asserted by affiliates of the debtors against whom an adversary complaint has been filed and will be prosecuted by the SC Litigation Trustee on behalf of the SC Litigation Trust.

4. On June 8, 2017, Mesabi and Holdings filed the Plan, which this Court confirmed on June 13, 2017. The effective date of the Plan occurred on December 22, 2017 (the “**Effective Date**”). Mesabi emerged as the Reorganized Debtor and was appointed as the Disbursing Agent pursuant to Section 7.8 of the Plan.

5. On the Effective Date, two litigation trusts—( a) the SC Litigation Trust and (b) the UC Litigation Trust (collectively, the “**Litigation Trusts**”)—were formed pursuant to Section 8.1 of the Plan and in accordance with section 1141 of the Bankruptcy Code. The SC Litigation Trustee and the UC Litigation Trustee were each appointed for the SC Litigation Trust and the UC Litigation Trust, respectively.

6. Among other things, the Litigation Trusts succeeded Mesabi and Holdings in litigating and allowing certain Trust Claims, including claims adverse to a Litigation Trust, all general unsecured claims, and claims held by a Litigation Trust Beneficiary. *See* Plan § 8.2(a).

7. Pursuant to Section 10.2 of the Plan, the Disbursing Agent is empowered and directed to, among other things, “(i) prosecute any objection to a Claim filed prior to the Effective Date; and (ii) object to the allowance of all Claims, other than Trust Claims, including such Claims filed with the Bankruptcy Court on or after the Effective Date.” Plan § 10.2(a).

8. Further, Section 10.1 of the Plan provides for objections to claims to have been filed within one hundred and eighty (180) days from the Effective Date of the Plan, “subject to being extended by the order of the Bankruptcy Court upon motion of the Disbursing Agent or a Litigation Trustee with notice of the motion pursuant to Local Rule 2002-1(b)).” Plan § 10.1.

9. “Without limiting the rights afforded parties in interest pursuant to section 502(d) of the Bankruptcy Code, the Disbursing Agent and the Litigation Trustees, as applicable, shall be entitled to object to all Claims.” Plan § 10.1.

10. The Claims Objection Deadline was originally set to expire on June 20, 2018.

11. On June 18, 2018, the Disbursing Agent and the Litigation Trustees filed the *Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1516].

12. On July 27, 2018, the Court entered the order granting the *Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1545] (the “**First Extension Order**”). Pursuant to the First Extension Order, the initial deadline of June 20, 2018 to object to claims was extended to September 18, 2018.

13. On September 10, 2018, the Disbursing Agent and the Litigation Trustees filed the *Second Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1549].

14. On October 3, 2018, the Court entered the order granting the *Second Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1557] (the “**Second Extension Order**”). Pursuant to the Second Extension Order, the deadline of September 18, 2018 to object to claims was extended to December 17, 2018.

15. On December 3, 2018, the Disbursing Agent and the Litigation Trustees filed the *Third Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1579].

16. On January 3, 2019, the Court entered the order granting the *Third Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1590] (the “**Third Extension Order**”). Pursuant to the Third Extension Order, the deadline of December 17, 2018 to object to claims was extended to March 18, 2019.

17. On March 12, 2019 the Disbursing Agent and the Litigation Trustees filed the *Fourth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1623].

18. On April 22, 2019, the Court entered the order granting the *Fourth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1632] (the “**Fourth Extension Order**”). Pursuant to the Fourth Extension Order, the deadline of March 18, 2019 to object to claims was extended to July 16, 2019.

19. On July 11, 2019, the Disbursing Agent and the Litigation Trustees filed the *Fifth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1646].

20. On August 8, 2019 the Court entered the order granting the *Fifth Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1652] (the “**Fifth Extension Order**”). Pursuant to the Fifth Extension Order, the deadline of July 16, 2019 to object to claims was extended to January 16, 2020.

21. On January 15, 2020, the Disbursing Agent and the Litigation Trustees filed the *Sixth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1670].

22. On January 31, 2020, the Court entered the order granting the *Sixth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1673] (the “**Sixth Extension Order**”). Pursuant to the Sixth Extension Order, the deadline of January 16, 2020 was extended to July 17, 2020.

23. On July 9, 2020, the Disbursing Agent and Litigation Trustees filed the *Seventh Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1695].

24. On July 30, 2020, the Court entered the order granting the *Seventh Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1698] (the “**Seventh Extension Order**”). Pursuant to the Seventh Extension Order, the deadline of July 17, 2020 was extended to January 15, 2021.

25. On January 12, 2021, the Disbursing Agent and Litigation Trustees filed the *Eighth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1708].

26. On January 22, 2021, the Court entered the order granting the *Eighth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1713] (the “**Eighth Extension Order**”). Pursuant to the Eighth Extension Order, the deadline of January 15, 2021 was extended to July 16, 2021.

27. On July 15, 2021, the Disbursing Agent and Litigation Trustees filed the *Ninth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1744].

28. On July 29, 2021, the Court entered the order granting the *Ninth Joint Motion of the Disbursing Agent, the SC Litigation Trustee, and the UC Litigation Trustee for an Order Extending Deadline for Filing Objections to Claims* [D.I. 1747] (the “**Ninth Extension Order**”). Pursuant to the Ninth Extension Order, the deadline of July 16, 2021 was extended to January 12, 2022.

29. In accordance with Section 10.1 of the Plan, the Disbursing Agent and the Litigation Trustees submit this Motion and notice pursuant to Local Rule 2002-1(b) to further extend the claims objection deadline by approximately 180 days to July 11, 2022.

## II.

### **RELIEF REQUESTED**

24. By this Motion and pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rule 3006(b), and Local Rule 9006-2, the Disbursing Agent and the Litigation Trustees seek entry of an order, substantially in the form attached hereto as **Exhibit A**, extending the Claims Objection Deadline solely for the Disbursing Agent and Litigation Trustees by approximately 180 days through and including July 11, 2022,<sup>3</sup> without prejudice to the rights of the Disbursing Agent or the Litigation Trustees to seek further extensions as necessary.

## III.

### **BASIS FOR RELIEF**

25. The current Claim Objection Deadline is set to expire on January 12, 2022. Section 10.1 provides, however, that the Claim Objection Deadline may be extended by order of the Court upon a motion of the Disbursing Agent or a Litigation Trustee:

As soon as practicable, but in no event later than one hundred and eighty (180) days after the Effective Date (subject to being extended by the order of the Bankruptcy Court upon motion of the Disbursing Agent or a Litigation Trustee with notice of the motion pursuant to Local Rule 2002-1(b)) objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made.

Plan § 10.1

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<sup>3</sup> Pursuant to Rule 9006-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the filing of this Motion prior to the Claim Objection Deadline shall serve to extend automatically the Claim Objection Deadline, without the necessity for the entry of a bridge order, until the Court rules on this Motion.

26. Section 105(a) of the Bankruptcy Code provides that “the court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). The Court is not precluded from “taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.” *Id.*

27. Moreover, the Court may extend the Claim Objection Deadline pursuant to Bankruptcy Rule 9006(b), which provides as follows:

Except as provided in paragraphs (2) and (3) of this subdivision, when an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion (1) with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order . . . .

FED. R. BANKR. P. 9006(b)(1).

28. The Disbursing Agent has actively been engaged in the claims reconciliation process. Although the Disbursing Agent and its advisors are continuing to work to resolve the proofs of claim on the claims register, some of the claims require substantial time, analysis, and negotiation before a resolution can be reached. The Disbursing Agent believes that with the requested extension it may be able to resolve potential objections to these claimants’ claims without incurring the costs and judicial resources related to filing and litigating such objections.

29. The Litigation Trustees have also been working together and discussing, among other things, the efficient administration and prosecution of the adversary proceeding against Essar Global Limited and other related affiliates pending before this Court (Adv. Proc. No. 17-50001), which incorporates certain, but not all claim objections against the Essar affiliates. The Litigation Trustees also believe that an additional six (6) months would be highly beneficial to



resolving other unaddressed claims in an orderly manner without causing the Litigation Trusts to incur any fees and expenses associated with unnecessary objections in advance of the current Claims Objection Deadline and without prejudicing any parties in interest.

30. The Disbursing Agent and the Litigation Trustees believe the requested extension is in the best interests of the Reorganized Debtor, the Litigation Trusts and their respective beneficiaries, and will serve judicial economy. Based on the foregoing, the Disbursing Agent and the Litigation Trustees believe that adequate cause exists to extend the Claims Objection Deadline as requested herein.

#### **IV.**

#### **NOTICE**

31. Notice of this Motion has been provided to (i) the Office of the United States Trustee for the District of Delaware, and (ii) those parties that have filed requests for notices in this case pursuant to Bankruptcy Rule 2002. The Disbursing Agent and the Litigation Trustees submit that in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

#### **V.**

#### **CONCLUSION**

WHEREFORE, the Disbursing Agent and the Litigation Trustees respectfully request entry of an order (a) granting the relief requested herein and (b) granting such other and further relief as the Court deems just and proper.

Dated: January 7, 2022

**BAYARD, P.A.**

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