

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
CHINA FISHERY GROUP LIMITED (CAYMAN)	:	Case No. 16-11895 (JLG)
<i>et al.</i> ,	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	

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**DECLARATION OF DAVID W. PRAGER  
IN SUPPORT OF THE FIFTH AMENDED JOINT CHAPTER 11 PLAN  
OF REORGANIZATION OF CHINA FISHERY GROUP LIMITED (CAYMAN),  
PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED (BERMUDA)  
AND CERTAIN OF THEIR AFFILIATED DEBTORS**

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<sup>1</sup> The Debtors are China Fishery Group Limited (Cayman) (“CFGL”), Pacific Andes International Holdings Limited (Bermuda) (“PAIH”), N.S. Hong Investment (BVI) Limited, South Pacific Shipping Agency Limited (BVI) (“South Pacific”), China Fisheries International Limited (Samoa) (“CFIL”), CFGL (Singapore) Private Limited, Chanery Investment Inc. (BVI), Champion Maritime Limited (BVI), Growing Management Limited (BVI), Target Shipping Limited (HK), Fortress Agents Limited (BVI), Ocean Expert International Limited (BVI), Protein Trading Limited (Samoa), CFG Peru Investments Pte. Limited (Singapore) (“CFG Peru Singapore”), Smart Group Limited (Cayman) (“Smart Group”), Super Investment Limited (Cayman) (“Super Investment”), Pacific Andes Resources Development Limited (Bermuda) (“PARD”), Nouvelle Foods International Ltd., Golden Target Pacific Limited (“Golden Target”), Pacific Andes International Holdings (BVI) Limited, Zhonggang Fisheries Limited, Admired Agents Limited, Chiksano Management Limited, Clamford Holding Limited, Excel Concept Limited, Gain Star Management Limited, Grand Success Investment (Singapore) Private Limited, Hill Cosmos International Limited, Loyal Mark Holdings Limited, Metro Island International Limited, Mission Excel International Limited, Natprop Investments Limited, Pioneer Logistics Limited, Sea Capital International Limited, Shine Bright Management Limited, Superb Choice International Limited, and Toyama Holdings Limited (BVI).

I, David W. Prager, hereby declare that the following is true to the best of my knowledge, information, and belief:

**Background and Qualifications**

1. I am a Managing Director of Kroll, LLC (“**Kroll**”), which has been retained by the debtors (other than CFG Peru<sup>2</sup>) in the above captioned cases (the “**Debtors**”) as financial advisor. Kroll is a financial advisory firm that is the world’s premier provider of services and digital products related to governance, risk, and transparency. I lead the U.S. Restructuring group at Kroll, providing restructuring advice and related services in special situations.
2. I have served as financial advisor to the Debtors since the filing of their initial bankruptcy petitions in June 2016, including through my former firm, Goldin Associates, LLC
3. I am a member of the American Bankruptcy Institute, the CFA Society of New York and the CFA Institute. I hold a B.S. in Economics from the Wharton School at the University of Pennsylvania.
4. I have spent over 20 years providing financial advice, expert testimony, and interim management in major matters for companies and their creditors primarily in connection with financial restructurings, turnarounds, and crisis management.
5. I was the principal financial officer of and primary restructuring advisor to Syncora Holdings Ltd., a monoline financial guarantor, during its out-of-court restructuring. I also served as the chief executive officer during the bankruptcy proceedings of The PMI Group, Inc., a private mortgage insurance holding company. I have provided business and strategic guidance (including litigation support and testimony) and concomitant financial advisory support in the restructurings of and/or litigation matters pertaining to entities both in bankruptcy (such as

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<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed in the Plan.

Ezra Holdings, Energy Future Holdings, Lehman Brothers, Ditech, Patriot Coal, City of Detroit, Tribune, Adelphia Communications and Enron) and in other forums (such as the Commonwealth of Puerto Rico, Platinum Partners, Assured Guaranty, and MBIA). My *curriculum vitae* is attached as Exhibit A.

6. Kroll will be compensated at its standard hourly rate (\$1,120) for my time expended preparing this declaration, subject to the Bankruptcy Court's approval processes. Payment of such fees is not contingent upon any conclusions reached herein.

**Description of Plan**

7. On January 12, 2022, the Debtors filed the *Fifth Amended Chapter 11 Plan of Reorganization of China Fishery Group Limited (Cayman), Pacific Andes Resources Development Limited (Bermuda) and Certain of Their Affiliated Debtors* (as amended, the "**Plan**"). I am making this Declaration in support of confirmation of the Plan.
8. The Plan, among other things, distributes the CFG Peru Settlement Proceeds and the CFG Peru Administrative Expense Settlement Proceeds (totaling at least \$26.0 million) pursuant to the allocation set forth in the CFG Peru Settlement, along with any residual assets. Of the amounts allocated in the CFG Peru Settlement for payment to CFG General Unsecured Creditors, \$5.0 million will be used to settle claims against the CFGL Plan Debtors asserted by the Liquidator-Controlled Companies as part of the Liquidator-Controlled Companies Settlement. The Plan is contingent on the occurrence of the Restructuring Effective Date under the CFG Peru Plan upon which the CFG Peru Settlement Proceeds and CFG Peru Administrative Expense Settlement Proceeds will be paid to the Debtors and certain claims against the Debtors will be satisfied.

9. The Plan also incorporates the Liquidator-Controlled Companies Settlement Agreement, pursuant to which, *inter alia*, the Debtor Settlement Parties shall pay to the Liquidator Settlement Parties the sum of \$14.1 million and waive and release any right, claim or interest, in or to the proceeds of the sale of certain Hong Kong office space. As consideration for the settlement, the Debtor Settlement Parties and the Liquidator Settlement Parties shall exchange mutual global releases.
10. The Plan contemplates the appointment of a Plan Administrator to administer the wind down of the Debtors and their Non-Debtor Affiliated Companies.

**Best Interests of Creditors**

11. I understand that section 1129(a)(7) of the Bankruptcy Code permits the Plan to be confirmed only if it is in the best interests of creditors. In other words, within each Impaired Class, each Holder of a Claim or Interest in such Impaired Class must either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the effective date of the Plan, that is not less than the amount that the non-accepting Holder would receive or retain if the Debtors were liquidated under chapter 7 on such date.
12. I understand that all Classes entitled to vote on the Plan voted to accept the Plan except for Class 5 PARD Bond Claims. Although certain Holders of Claims in Class 5 rejected the Plan, I believe the requirements of section 1129(a)(7) of the Bankruptcy Code set forth above is satisfied.
13. I have prepared the Liquidation Analysis attached hereto as Exhibit B. The Liquidation Analysis is a comparison of (i) the estimated recoveries for holders of Allowed Claims and Interests under the Plan (the “**Plan Recovery**”) to (ii) an estimate of the recoveries that may result from a hypothetical chapter 7 liquidation (“**Liquidation Recovery**”). The Liquidation

Recovery is an estimation of (a) the cash proceeds that a chapter 7 trustee would generate if each Joint Plan Debtors' Chapter 11 Cases were converted to chapter 7 case and the assets of such Debtors' Estates (including the assets of their non-Debtor subsidiaries) were liquidated and (b) the distribution that each holder of an Allowed Claim or Interest would receive from the net proceeds available for distribution under the priority scheme dictated in chapter 7 of the Bankruptcy Code. The Liquidation Analysis is based upon a number of significant assumptions described therein.

14. Based on the Liquidation Analysis, holders of Allowed Claims and Interests in each Impaired Class would receive more value under the Plan than in a liquidation scenario, due to discounts to asset values and the incurrence of additional administrative claims in chapter 7 if these cases were converted, among other factors. The Plan, thus, satisfies the best interests test under section 1129(a)(7) of the Bankruptcy Code.
15. As the result of a web of intercompany claims within and between, *inter alia*, the CFGL Group and the PARD Group, the value of the Peruvian OpCos would flow to general unsecured creditors of multiple Debtors. This flow of value would vary based on assumptions as to the valuation of the Peruvian OpCos, the allowance of certain intercompany and related party claims, and the outcome of equitable remedies. The CFG Peru Settlement contemplates the risks of such variables and the proportionate allocation of value under various scenarios. The CFG Peru Settlement Allocation reflects a distribution of value among and between (i) holders of CFG General Unsecured Claims, (iii) holders of CFGL Public Equity Interests, and (iv) creditors of the PARD Plan Debtors. The CFG Peru Settlement Allocation was derived based on the values available under the absolute priority rule under the analyzed scenarios and other rights and remedies.

16. For each of these reasons, I believe that the requirements of section 1129(a)(7) of the Bankruptcy Code as I understand them are satisfied.

**Conclusion**

17. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

*/s/ David W. Prager*

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David W. Prager  
Managing Director  
Kroll, LLC  
January 12, 2022

**Exhibit A**

**Curriculum Vitae**



## David W. Prager, CFA

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David W. Prager leads Kroll's US Restructuring practice. He has over two decades of experience as a restructuring professional, financial advisor, and expert witness. His practice focuses on matters involving a breach of trust and/or a heightened degree of complexity. David has advised on a

In addition to restructuring advisory assignments, David provides expert testimony respecting complex commercial litigation and valuation disputes. He has testified and served as a consulting expert in high-profile, highly-contentious bankruptcy disputes, including as to valuation, reasonableness of projections, avoidance actions, fairness of plans of reorganization and complex value allocation. His testimonial experience also includes valuation of illiquid investments in mature and start-up companies, a billion-dollar valuation dispute arising during the peak of the Financial Crisis and an enforcement action on behalf of the Securities and Exchange Commission.

### PRIOR EXPERT TESTIMONY AND REPORTS:

- ***Lehman Brothers International (Europe) v. AG Financial Products* (NY Sup. Ct. 653284/2011)** – expert respecting valuation of derivative contracts (report, deposition and trial)
- ***In re: The Financial Oversight and Management Board of Puerto Rico as representative of The Commonwealth of Puerto Rico, et al* (D.P.R. 17-BK-3283 (LTS))** – expert respecting best interests of creditors (report and deposition)
- ***In the Matter of CFG Investment S.A.C. and In the Matter of the Companies Act 2006* in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)** – expert respecting comparator analysis (report)
- ***In re: Standard Amusements LLC* (Bank. SDNY 19-23061 (RDD))** – expert respecting contract breaches and plan feasibility (report and deposition)
- ***Southern Advanced Materials, LLC v. Robert S. Abrams and Robert S. Abrams Living Trust* (NY Sup. Ct. 650773/2015)** – expert report respecting valuation of medical device startup (report and deposition)
- ***In re: Platinum-Beechwood Litigation* (SDNY 1:18-cv-06658); *Melanie L. Cyganowski, as Receiver, by and for Platinum Partners Credit Opportunities Master Fund LP, et al. v. Beechwood Re Ltd., et al.* (S.D.N.Y. 1:18-cv-12018)** – expert respecting valuation and fraudulent conveyance (report and deposition); valuation of portfolio investments
- ***In re: China Fishery Group* (Bank. SDNY 16-11895 (JLG))** – expert respecting prospects of restructuring (report and deposition); expert respecting claims settlement (report)
- ***In re: Patriot Coal Corporation* (Bank. E.D.Va. 15-32450 (KLP))** – expert at bankruptcy plan confirmation respecting valuation issues (deposition)
- ***SEC v. Aletheia Research & Management* (C.D.Ca. 12-cv-10692-JFW-(RZx))** – causation and damages expert in enforcement action in cherry picking trading scheme (report and deposition; trial testimony by designation)
- ***In re: The PMI Group* (Bank. D.Del. 11-13730 (BLS))** – Debtors' sole witness at contested bankruptcy plan confirmation (trial)
- ***In re: Adelphia Communications* (Bank. S.D.N.Y. 02-41729)** – expert at bankruptcy plan confirmation respecting resolution of intercompany issues, including matters respecting the propriety of books and records and avoidable transactions (report, deposition and trial)



**OTHER  
REPRESENTATIVE  
ENGAGEMENTS:**

- **Syncora Guarantee** – CFO
  - Oversaw restructuring and all financial functions, including reporting, financial planning & analysis and tax
- **The PMI Group** – CEO
  - Oversaw final financial filings and emergence from bankruptcy with skeleton staff
- **Archegos** – financial advisor to failed investment fund
- **Ezra Holdings** – financial advisor to Singapore-based debtor
- **Energy Future Holdings** – financial advisor to independent director; evaluated strategic alternatives; investigated fraudulent conveyance claims
- **Toys ‘R’ Us** – financial advisor to independent director
- **SEM Group** – forensic financial advisor to creditors’ committee
- **Tribune** – expert respecting fairness of plan settling multiple avoidance and reclassification issues
- **Adelphia** – expert analyzing intercompany settlement and plan confirmation issues
- **Enron North America** – financial advisor to the Examiner investigating intercompany transfers and transactions with CFO

**PRIOR  
EMPLOYMENT:**

- **Goldin Associates, LLC, 2002 to 2020** (Managing Director since 2009)
  - Financial advisor concentrating on restructuring advisory and complex financial litigation
- **McManus & Miles Incorporated, 2000 to 2002**
  - Investment bank concentrating on energy and power and project finance

**ARTICLES AND  
PRESENTATIONS:**

- Trends in Post Covid Restructuring, *In House Warrior*, August 2021
- Surfside Shortcomings—More Common Than You Think, *NY Real Estate Journal*, July 20, 2021
- Lawsuits Over Building Collapse, *Bloomberg Law*, July 2021
- Debtwired, April 2021
- Forecasting the Future of Litigation Funding, *Turnaroud Time*, December 2020
- Financially Distressed Educational Institutions and Bankruptcy, *Strafford Webinars*, June 2020
- Cash Optimization, *Duff & Phelps Webinar*, June 2020
- Creditor Negotiations Inside and Outside the Credit Complex, *Debtwire Puerto Rico Restructuring Forum*, June 2017
- Deconstructing EFH, *American Bankruptcy Institute NY Conference*, May 2017
- Hot Topics in Valuation, *VALCON*, March 2016
- “Black Gold Runs Red,” *Journal of Corporate Renewal*, Oct. 2015

**EDUCATION:**

- B.S. in Economics, Wharton School, University of Pennsylvania

**CERTIFICATIONS:**

- CFA Charterholder

**PROFESSIONAL  
ASSOCIATIONS:**

- CFA Institute
- American Bankruptcy Institute
- CFA Society of New York
- INSOL