

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

EPIC COMPANIES, LLC,

Debtors.¹

§

§ **Chapter 11**

§

§ **Case No. 19-34752 (DRJ)**

§

§ **(Jointly Administered)**

§

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,
METHODOLOGY, AND DISCLAIMERS REGARDING THE DEBTORS'
SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF
FINANCIAL AFFAIRS**

On August 26, 2019 (the “**Petition Date**”), Epic Companies, LLC (the “**Company**”) and certain of its subsidiaries (collectively “**Epic**” or the “**Debtors**” each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”). The Debtors’ cases are being jointly administered under Case No. 19-34752.

Through their Chief Restructuring Officer and with the assistance of their advisors, the Debtors’ management prepared the annexed Schedules of Assets and Liabilities (the “**Schedules**”) and the Statement of Financial Affairs (the “**Statements**” and together with the Schedules, the “**Schedules and Statements**”) pursuant to section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure.

These Global Notes and Statement of Limitations, Methodology, and Disclaimer Regarding the Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “**Global Notes**”) pertain to, are incorporated by reference in, and comprise an integral part of all of the Debtors’ Schedules and Statements. The Global Notes should be referred to, considered, and reviewed in connection with any review of the Schedules and Statements.

The Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Epic Companies, LLC (1473), Epic Diving & Marine Services, LLC (2501), Epic Applied Technologies, LLC (5844), EPIC Specialty Services, LLC (8547), Epic Alabama Steel, LLC (6835), Epic San Francisco Shipyard, LLC (5763) and Zuma Rock Energy Services, LLC (1022). The address of the Debtors’ headquarters is: 1080 Eldridge Parkway, Suite 1300, Houston, Texas 77077.

(“GAAP”), nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment and reflect the Debtors’ commercially reasonable efforts to report the assets and liabilities of the Debtors.

The Debtors and their agents, attorneys, and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While commercially reasonable efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys, and financial advisors expressly do not undertake any obligation to update, modify, revise, or re-categorize the information provided herein, or to notify any third party should the information be updated, modified, revised, or re- categorized. In no event shall the Debtors or their agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtors or its agents, attorneys, and financial advisors are advised of the possibility of such damages.

Jeffrey T. Varsalone, the Debtors’ President and Chief Restructuring Officer and an authorized signatory of the Debtors, has signed the Schedules and Statements. In reviewing and signing the Schedules and Statements, Mr. Varsalone relied upon the efforts, statements, and representations of various personnel employed by the Debtors and their advisors. Mr. Varsalone has not (and could not have) personally verified the accuracy of each statement and representation contained in the Schedules and Statements, including statements and representations concerning amounts owed to creditors, classification of such amounts, and creditor addresses.

Global Notes and Overview of Methodology

1. **Reservation of Rights.** Reasonable efforts have been made to prepare and file complete and accurate Schedules and Statements; however, inadvertent errors or omissions may exist. The Debtors reserve all rights (i) to amend or supplement the Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including, without limitation, the right to amend the Schedules and Statements with respect to claim (“**Claim**”) description or designation or the Debtors against which the Claim is asserted; (ii) to dispute or otherwise to assert offsets or defenses to any Claim reflected in the Schedules and Statements as to amount, liability, priority, status, or classification; and (iii) to designate subsequently any Claim as “disputed,” “contingent,” or “unliquidated;” or to object to the extent, validity, enforceability, priority, or avoidability of any Claim. Any

failure to designate a Claim in the Schedules and Statements as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtors that such Claim or amount is not “disputed,” “contingent,” or “unliquidated.” Listing a Claim does not constitute an admission of liability by the Debtors against which the Claim is listed or against any of the Debtors. Furthermore, nothing contained in the Schedules and Statements shall constitute a waiver of rights with respect to the Debtor’s chapter 11 case, including, without limitation, issues involving Claims, substantive consolidation, defenses, equitable subordination, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non- bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph. Notwithstanding the foregoing, the Debtors shall not be required to update the Schedules and Statements except as may be required by applicable law.

2. **“As Of” Information Date.** Asset values other than cash, accounts receivable, and prepaids are presented as of May 31, 2019. The cash, accounts receivable, and prepaid asset values and liability information provided herein represents the data as of the Petition Date except as otherwise noted.
3. **Net Book Value of Assets.** Unless otherwise indicated, the asset data contained in the Debtors’ Schedules and Statements reflects the Debtors’ net book value. Book values of assets prepared in accordance with GAAP generally do not reflect the current performance of the assets or the impact of the commodity price environment and may differ materially from the actual value of the underlying assets.
4. **Recharacterization.** Notwithstanding the Debtors’ commercially reasonable efforts to characterize, classify, categorize, or designate properly certain Claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and Statements, the Debtors may nevertheless have improperly characterized, classified, categorized, designated, or omitted certain items due to the complexity and size of the Debtors’ business. Accordingly, the Debtors reserve all of their rights to re-characterize, reclassify, recategorize, redesignate, add, or delete items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts or leases listed herein were deemed executory or unexpired as of the Petition Date and remain executory and unexpired postpetition. Disclosure of information in one or more Schedules, one or more Statements, or one or more exhibits or attachments to the Schedules and Statements, even if incorrectly placed, shall be deemed to be disclosed in the correct Schedules, Statements, exhibits, or attachments.
5. **Liabilities.** The Debtors have sought to allocate liabilities between the prepetition and postpetition periods based on the information and research conducted in connection with the preparation of the Schedules and Statements. As additional

information becomes available and further research is conducted, the allocation of liabilities between the prepetition and post-petition periods may change. Accordingly, the Debtors reserve all of its rights to amend, supplement, or otherwise modify the Schedules and Statements as is necessary or appropriate.

The liabilities listed on the Schedules do not reflect any analysis of Claims under section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtors reserve all of their rights to dispute or challenge the validity of any asserted Claims under section 503(b)(9) of the Bankruptcy Code or the characterization of the structure of any such transaction or any document or instrument related to any creditor's Claim. Although there are multiple lenders under the Debtors' prepetition debt facilities, only the administrative agents are listed in the Schedules.

- 6. Excluded Assets and Liabilities.** The Debtors have excluded certain categories of assets, tax accruals, and liabilities from the Schedules and Statements, including, without limitation, goodwill, accrued salaries, employee benefit accruals, and accrued accounts payable. The Debtors have also excluded rejection damage Claims of counterparties to executory contracts and unexpired leases that may or may not be rejected, to the extent such damage Claims exist. In addition, certain immaterial assets and liabilities may have been excluded.

The Bankruptcy Court has authorized (but not directed) the Debtors to pay, in their discretion, certain outstanding Claims on a post-petition basis. Prepetition liabilities that have been paid postpetition or those that the Debtors plan to pay via this authorization have not been included in the Schedules. Please see the notes to Schedule E/F for additional information.

- 7. Insiders.** For purposes of the Schedules and Statements, the Debtors defined "insiders" pursuant to section 101(31) of the Bankruptcy Code as: (a) directors; (b) officers; (c) persons in control of the Debtors; (d) relatives of the Debtor's directors, officers, or persons in control of the Debtors; and (e) debtor/non-debtor affiliates of the foregoing. Persons listed as "insiders" have been included for informational purposes only and the inclusion of them in the Schedules and Statements, shall not constitute an admission that those persons are insiders for purposes of section 101(31) of the Bankruptcy Code. Moreover, the Debtors do not take any position with respect to: (a) any insider's influence over the control of the Debtors; (b) the management responsibilities or functions of any such insider; (c) the decision making or corporate authority of any such insider; or (d) whether the Debtors or any such insider could successfully argue that he or she is not an "insider" under applicable law or with respect to any theories of liability or for any other purpose.
- 8. Intellectual Property Rights.** Exclusion of any intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

9. Classifications. Listing (a) a Claim on Schedule D as “secured,” (b) a Claim on Schedule E/F as “priority,” (c) a Claim on Schedule E/F as “unsecured,” or (d) a contract on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant or a waiver of the Debtors’ rights to recharacterize or reclassify such Claims or contracts or to setoff of such Claims.

10. Claims Description. Schedules D and E/F permit the Debtors to designate a Claim as “disputed,” “contingent,” and/or “unliquidated.” Any failure to designate a Claim on the Debtors’ Schedules and Statements as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtors that such amount is not “disputed,” “contingent,” or “unliquidated,” or that such Claim is not subject to objection. The Debtors reserve all of their rights to dispute, or assert offsets or defenses to, any Claim reflected on its Schedules and Statements on any grounds, including liability or classification. Additionally, the Debtors expressly reserve all of their rights to subsequently designate such Claims as “disputed,” “contingent,” or “unliquidated.” Moreover, listing a Claim does not constitute an admission of liability by the Debtors.

11. Causes of Action. Despite making commercially reasonable efforts to identify all known assets, the Debtors may not have listed all of their causes of action or potential causes of action against third-parties as assets in the Schedules and Statements, including, without limitation, causes of actions arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. The Debtors reserve all of their rights with respect to any cause of action (including avoidance actions), controversy, right of setoff, cross-claim, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, or assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law (collectively, “**Causes of Action**”) they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any claims or Causes of Action or in any way prejudice or impair the assertion of such claims or Causes of Action.

12. Summary of Significant Reporting Policies. The following is a summary of significant reporting policies:

- a. Undetermined Amounts. The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.

- b. Totals. All totals that are included in the Schedules and Statements represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total.
- c. Paid Claims. The Debtors were authorized (but not directed) to pay certain outstanding prepetition Claims pursuant to various orders entered by the Bankruptcy Court. The Debtors reserve all of their rights to amend or supplement the Schedules and Statements or take other action as is necessary or appropriate to avoid over-payment of or duplicate payments for any such liabilities. Please see notes to Schedule E/F for any additional information.
- d. Liens. Property and equipment listed in the Schedules and Statements are presented without consideration of any liens that may attach (or have attached) to such property and equipment.

13. Currency. Unless otherwise indicated, all amounts are reflected in U.S. dollars.

14. Intercompany Payables and Receivables. Intercompany receivables/payables are set forth on Schedules A/B and E/F, respectively. The listing by the Debtors of any account between a Debtor and another affiliate, including between the Debtor and any disregarded or non-debtor affiliate, is a statement of what appears in the Debtors' books and records and does not reflect any admission or conclusion of the Debtors regarding the allowance, classification, characterization, validity, or priority of such account. The Debtor take no position in these Schedules and Statements as to whether such accounts would be allowed as a Claim, an Interest, or not allowed at all. The Debtors and all parties in interest reserve all rights with respect to such accounts.

15. Setoffs. The Debtors periodically incur certain setoffs in the ordinary course of business. Setoffs in the ordinary course can result from various items including, but not limited to, intercompany transactions, pricing discrepancies, returns, refunds, negotiations, and/or disputes between the Debtors and their customers and/or suppliers. These normal setoffs are consistent with the ordinary course of business in the Debtors' industry and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list such ordinary course setoffs. Therefore, although such setoffs and other similar rights may have been accounted for when scheduling certain amounts, these ordinary course setoffs are not independently accounted for, and as such, are or may be excluded from the Debtors' Schedules and Statements.

16. Employee Addresses. Current employee, former employee and director addresses have been reported as the Debtors' business address throughout the Schedules and Statements, where applicable.

17. Fiscal Year. The Debtors operate under a fiscal year ending December 31. Unless otherwise indicated, all references to “annual,” “annually,” “year,” “years,” or an otherwise similar length of time are presumed to refer to a period of time ending December 31 of the referenced period or periods.

18. Completeness. Every effort has been made to ensure that the Schedules and Statements are as complete and accurate as possible. However, there may be gaps in the reporting of financial information resulting from the Debtors’ migration from its predecessor’s financial reporting systems to their current reporting systems.

19. Global Notes Control. In the event that the Schedules or Statements differ from any of the foregoing Global Notes, the Global Notes shall control.

Specific Notes with Respect to the Debtor’s Schedules of Assets and Liabilities

The Schedules do not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Schedules contain unaudited information that is subject to further review and potential adjustment, and reflect the Debtors’ reasonable best efforts to report the assets and liabilities of the Debtors. Moreover, given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that the Debtors show more assets than liabilities, this is not an admission that the Debtors were solvent as of the Petition Date or at any time before the Petition Date. Likewise, to the extent the Debtors show more liabilities than assets, this is not an admission that the Debtors were insolvent as of the Petition Date or at any time before the Petition Date.

1. Schedule A/B, Part 1, Questions 2 and 3 – Cash on hand and Checking, savings, or other financial accounts.

While the long-term Epic asset values were reported as of May 31, 2019, the current assets (Cash on hand, Checking, Savings, Money Market, or Financial Broker Accounts, Deposits and Prepayments, and Accounts Receivable) were reported as of the Petition Date.

2. Schedule A/B, Part 7, Question 41 – Office Equipment including all computer equipment and communication systems equipment and software.

The Schedules do not include miscellaneous office equipment not reflected in the Debtors’ books and records.

3. Schedule A/B, Part 11, Question 73 – Interests in insurance policies or annuities

The Debtors maintain a variety of insurance policies including property, general liability, and workers' compensation policies and other employee related policies. The Debtors' interest in these types of policies is limited to the amount of the premiums that the Debtors have prepaid, if any, as of the Petition Date and any prefunded claim tails. To the extent the Debtors have made a determination of the amount of prepaid insurance premiums or prefunded claim tails as of the Petition Date, such amounts are listed on Exhibit A/B, Part 2, Question 8. All policies are expected to remain active.

4. Schedule D

Except as specifically stated herein, real property lessors, utility companies and other parties which may hold security deposits have not been listed on Schedule D. The Debtors have not included parties that may believe their Claims are secured through setoff rights or inchoate statutory lien rights, including certain parties from whom the Debtors have received lien notices but whose notices the Debtors understand have not yet been filed or recorded. While reasonable efforts have been made, determination of the date upon which each claim in Schedule D was incurred or arose would be unduly burdensome or cost prohibitive, and therefore the Debtors may not list a date for each claim listed on Schedule D.

Although there are multiple parties that hold a portion of the Debtors' secured and unsecured indebtedness, only the administrative agents or indenture trustees that have been listed for the purposes of Schedule D.

Finally, the Debtors are taking no position on the extent or priority of any particular creditor's lien in this document.

5. Schedule E/F

Certain of the claims of state and local taxing authorities set forth in Schedule E/F, ultimately may be deemed to be secured claims pursuant to state or local laws. In addition, certain of the claims owing to various taxing authorities to which the Debtors may be liable may be subject to ongoing audits. The Debtors reserve the right to dispute or challenge whether claims owing to various taxing authorities are entitled to priority and the listing of any claim on Schedule E/F does not constitute an admission that such claim is entitled to priority treatment pursuant to section 507 of the Bankruptcy Code.

The claims of individual creditors for, among other things, goods, products, services, or taxes are listed as the amounts entered on the Debtor's books and records and may not reflect credits, allowances, or other adjustments due from such creditors to the Debtor. The Debtors reserves all of their rights with regard to such credits, allowances, and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.

The bankruptcy court granted authority to the Debtors to pay certain obligations related to the employee wages and benefits [Docket No.32], insurance programs [Docket No.28] and taxes [Docket No.30]. With this in mind, the Debtors have paid many of these obligations, and intend to make additional payments in the future. Consequently, the Debtors have only reflected liabilities that they expect to remain unpaid under any first-day court authority on schedules E/F. Schedule E/F does not include certain deferred charges, deferred liabilities, accruals, or general reserves. Such amounts are, however, reflected on the Debtor's books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific Claims as of the Petition Date. The Debtors have made every effort to include as contingent, unliquidated, or disputed the Claim of any vendor not included on the Debtor's open accounts payable that is associated with an account that has an accrual or receipt not invoiced.

6. Schedule G

While the Debtors' existing books, records and financial systems have been relied upon to identify and schedule executory contracts at each of the Debtors, and although reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors, omissions, or inclusions may have occurred. The Debtors do not make, and specifically disclaim, any representation or warranty as to the completeness or accuracy of the information set in Schedule G. The Debtors hereby reserve all of their rights to dispute the validity, the status, the enforceability of any contract, agreement, or lease set forth in Schedule G and to amend or supplement Schedule G as necessary. The contracts, agreements, and leases listed in Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters, memoranda, and other documents, instruments, and agreements that may have not be listed therein despite their Debtors' use of reasonable efforts to identify such documents. Further, unless otherwise specified on Schedule G, each executory contract or unexpired lease listed thereon shall include all exhibits, schedules, riders, modifications, declarations, amendments, supplements, attachments, restatements, or other documents made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without respect to whether such agreement, instrument, or other document is listed thereon

Certain of the instruments reflected on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional lands, and other miscellaneous rights. Such rights, powers, duties, and obligations are not separately set forth on Schedule G. The Debtors hereby expressly reserves the right to assert that any instrument listed on Schedule G is an executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code. In addition, the Debtors reserve all of its rights, claims, and causes of action with respect to claims associated with any contracts and agreements listed on Schedule A/B, including their right to dispute or challenge the characterization or the structure of any

transaction, document, or instrument (including any intercompany agreement).

Certain confidentiality and non-compete agreements may not be listed on Schedule G. The Debtors reserve all of its rights with respect to such agreements.

Certain of the contracts and agreements listed on Schedule G may consist of several parts, including, purchase orders, amendments, restatements, waivers, letters and other documents that may not be listed on Schedule G or that may be listed as a single entry.

The contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters, memoranda, and other documents, instruments, and agreements that may not be listed therein despite the Debtor's use of reasonable efforts to identify such documents. Further, unless otherwise specified on Schedule G, it is the Debtor's intent that each executory contract or unexpired lease listed thereon shall include all exhibits, schedules, riders, modifications, declarations, amendments, supplements, attachments, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without respect to whether such agreement, instrument, or other document is listed thereon. In some cases, the same supplier or provider appears multiple times on Schedule G. This multiple listing is intended to reflect distinct agreements between the applicable Debtors and such supplier or provider.

In the ordinary course of business, certain of the Debtors may enter into agreements titled as leases for property or other real property interests and equipment from third-party lessors for use in the daily operation of their business. Any known pre-petition obligations of the Debtors' pursuant to the same have been listed on Schedule EF. The underlying lease agreements are listed on Schedule G, or, if the leases are in the nature of real property interests under applicable state laws, on Schedule AB. Nothing in the Schedules and Statements is, or shall be construed to be, an admission as to the determination of the legal status of any lease (including whether any lease is a true lease, a financing arrangement or a real property interest), and the Debtors reserve all rights with respect to such issues.

7. Schedule H

Although there are multiple parties that hold a portion of the Debtors' secured and unsecured indebtedness, only the administrative agents or indenture trustees that have been listed for the purposes of Schedule H.

Specific Notes with Respect to the Debtor's Statement of Financial Affairs

1. SOFA Part 1, Question 1 – Gross revenue from business

Certain of the financial information of certain Debtors is in the possession and control of predecessor entities and not accessible by the Debtors. Accordingly, the information reported is based solely on information in the Debtors custody and control.

2. SOFA Part 2, Question 3 – Certain payments or transfers to creditors within 90 days before filing this case

The Debtors have provided all payment information, with the exception of regular employee compensation, payments to, or on behalf of insiders, and payments to restructuring professionals, for the 90 day period preceding the Petition Date.

3. SOFA Part 2, Question 4 – Payments or transfers of property made within 1 year before filing this case that benefited any insider

The Debtors have provided all payments to, or on behalf of, insiders within 1 year preceding the Petition Date.

4. SOFA Part 2, Question 6 – Setoffs made by any creditor within 90 days preceding commencement of this case.

See the previous discussion of Setoff processing in paragraph 15 above.

5. SOFA Part 6, Question 11 - Payments related to bankruptcy

The Debtors have provided all payments to their advisors, and the advisors of the involved lenders, related to debt consolidation or restructuring, seeking bankruptcy relief, and filing a bankruptcy case within 1 year preceding the Petition Date.

6. SOFA Part 10, Question 20 – Off-premises storage used within 1-year preceding commencement of this case

The Debtors have provided information for the off-premises storage facilities. This does not take into consideration any temporary storage that might occur on the Debtors' various worksites.

Fill in this information to identify the case:

Debtor Epic Diving & Marine Services, LLCUnited States Bankruptcy Court for the: Southern District of Texas (Houston Division)Case number 19-34755
(if known)☐ Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

04/19

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income**1. Gross revenue from business**☒ None**2. Non-business revenue**

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☒ None**Part 2: List Certain Transfers Made Before Filing for Bankruptcy****3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,825. (This amount may be adjusted on 4/1/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☒ None**4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider**

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825. (This amount may be adjusted on 4/1/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☒ None**5. Repossessions, foreclosures, and returns**

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None**6. Setoffs**

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None**Part 3: Legal Actions or Assignments****7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits**

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity within 1 year before filing this case.

☐ None

(Name)

Case title	Nature of case	Court or agency's name and address	Status of case
AUSTIN WATERMAN VS. EPIC COMPANIES, LLC, EPIC DIVING & MARINE SERVICES, LLC, TEAM TRIDENT, LLC AND ARIES MARINE CORPORATION Case number 2019-01604	PERSONAL INJURY	129TH JUDICIAL DISTRICT COURT OF HARRIS COUNTY, HOUSTON, TEXAS 201 CAROLINE STREET 10TH FLOOR HOUSTON, TX 77002	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
CURTIN MARITIME CORPORATION V. EPIC EXPLORER, IN REM Case number 6:2019CV01036	VESSEL ARREST - EPIC EXPLORER	UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF LOUISIANA 515 MURRAY STREET SUITE 105 ALEXANDRIA, LA 71301	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
DAN BUNKERING (AMERICA), INC V. EPIC ARAPAHO, IN REM Case number 2:2019CV11897	VESSEL ARREST - EPIC ARAPAHO	UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA 500 POYDRAS ST NEW ORLEANS, LA 70130	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
DAN BUNKERING (AMERICA), INC V. EPIC EXPLORER, IN REM Case number 2:2019CV11741	VESSEL ARREST - EPIC EXPLORER	UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA 500 POYDRAS ST NEW ORLEANS, LA 70130	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
DAN BUNKERING (AMERICA), INC V. EPIC HEDRON, IN REM Case number 1:2019CV00413	VESSEL ARREST - EPIC HEDRON	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA 155 SAINT JOSEPH ST. MOBILE, AL 36602	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
FUGRO USA MARINE, INC. Case number	NOTICE OF MARITIME LIEN - EPIC EXPLORER	NOTICE OF MARITIME LIEN (FILING WITH USCG)	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
GUIDRY V EPIC Case number 617-CV-01492-UDJ-CBW	PERSONAL INJURY - JONES ACT	UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF LOUISIANA 300 FANNIN STREET SUITE 1167 SHREVEPORT, LA 71101	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
OCEANWIDE CYPRUS, LTD. AND OCEANWIDE TEXAS, INC. Case number 1:2019CV00413	VESSEL ARREST - EPIC HEDRON	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA 155 SAINT JOSEPH ST. MOBILE, AL 36602	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
TAYLORS INTERNATIONAL SERVICES, INC. Case number 1:2019CV00413	VESSEL ARREST - EPIC HEDRON	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA 155 SAINT JOSEPH ST. MOBILE, AL 36602	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
TRINITY CATERING, INC. Case number	NOTICE OF MARITIME LIEN - EPIC EXPLORER	NOTICE OF MARITIME LIEN (FILING IN TERREBONNE PARISH) 7850-7864 W MAIN ST HOUMA, LA 70360	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

(Name)

Case title	Nature of case	Court or agency's name and address	Status of case
VERSABAR, INC. Case number 1:2019CV00413	VESSEL ARREST - EPIC HEDRON	UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA 155 SAINT JOSEPH ST. MOBILE, AL 36602	<input checked="" type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded

8. **Assignments and receivership**
List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None

Part 4: Certain Gifts and Charitable Contributions

9. **List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000**

☒ None

Part 5: Certain Losses

10. **All losses from fire, theft, or other casualty within 1 year before filing this case.**

☒ None

Part 6: Certain Payments or Transfers

11. **Payments related to bankruptcy**
List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☒ None

12. **Self-settled trusts of which the debtor is a beneficiary**
List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.
Do not include transfers already listed on this statement.

☒ None

13. **Transfers not already listed on this statement**
List any transfers of money or other property—by sale, trade, or any other means—made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs.
Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☒ None

Part 7: Previous Locations

14. **Previous addresses**
List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

☐ Does not apply

Address	Dates of occupancy
10656 HWY 23 BELLE CHASE, LA 70037	From 10/1/2010 To 9/30/2013

Part 8: Health Care Bankruptcies

15. **Health Care bankruptcies**
Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

☒ No. Go to Part 9.

Part 9: Personal Identifiable Information**16. Does the debtor collect and retain personally identifiable information of customers?**

- ☒ No.
☐ Yes. State the nature of the information collected and retained.

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- ☒ No. Go to Part 10.
☐ Yes. Does the debtor serve as plan administrator?
☒ No. Go to Part 10.
☐ Yes. Fill in below:

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units**18. Closed financial accounts**

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

- ☒ None

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

- ☒ None

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

- ☒ None

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own**21. Property held for another**

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

- ☒ None

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- ☒ No
☐ Yes. Provide details below.

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- ☒ No
☐ Yes. Provide details below.

24. Has the debtor notified any governmental unit of any release of hazardous material?

- ☒ No
☐ Yes. Provide details below.

Part 13: Details About the Debtor's Business or Connections to Any Business**25. Other businesses in which the debtor has or has had an interest**

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

☒ None

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☒ None

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☒ None

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☒ None

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☒ None

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

☒ None

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

☐ None

Name	Address	Position and nature of any interest	% of interest, if any
EPIC COMPANIES, LLC	1080 ELDRIDGE PARKWAY, SUITE 1300 HOUSTON, TX 77077	OWNER	100
JEFFREY VARSALONE	1080 ELDRIDGE PARKWAY, SUITE 1300 HOUSTON, TX 77077	PRESIDENT, CHIEF RESTRUCTURING OFFICER	
JENNIFER BELL	1080 ELDRIDGE PARKWAY, SUITE 1300 HOUSTON, TX 77077		
KELTON TONN	1080 ELDRIDGE PARKWAY, SUITE 1300 HOUSTON, TX 77077	VICE PRESIDENT, LEGAL OFFICER	

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

☐ None

Name	Address	Position and nature of any interest	Period during which position or interest was held
JOHN HERREN	1441 JOSEPH ST NEW ORLEANS, LA 70115-4262	VICE PRESIDENT	From 03/02/2018 To 07/15/2019
PETER PINTAR	526 S 3RD STREET BELLAIRE, TX 77401	CHIEF EXECUTIVE OFFICER, PRESIDENT	From 03/01/2018 To 10/23/2018
ROBERT A. GILBERT	427 W 31ST ST HOUSTON, TX 77018	CHIEF FINANCIAL OFFICER, VICE PRESIDENT AND TREASURER	From 03/01/2018 To 01/01/2019

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

☒ None

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

☐ None

Name of the parent corporation

TETRAAPPLIED TECHNOLOGIES, LLC

Employer identification number of the parent corporation.

75-2255844

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

☒ None

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 9/16/2019.

x

/s/ Jeffrey Varsalone

Signature of individual signing on behalf of the debtor

Jeffrey Varsalone

Printed Name

Chief Restructuring Officer

Position or relationship to debtor

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- ☒ No
☐ Yes