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Counsel to the Litigation Trust

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

In re:

AEGEAN MARINE PETROLEUM
NETWORK INC., *et al.*,¹

Reorganized Debtors.

)
)
) Chapter 11
)
)

18-13374 (MEW)

) Jointly Administered
)

**NOTICE OF LITIGATION TRUST'S QUARTERLY REPORT FOR
THE PERIOD JANUARY 1, 2022 THROUGH MARCH 31, 2022**

PLEASE TAKE NOTICE that the litigation trust (the "Litigation Trust") established pursuant to 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, 2022 through March 31, 2022*, 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. 18-13374 (MEW)) is not a Reorganized Debtor.

Dated: New York, New York
May 16, 2022

AKIN GUMP STRAUSS HAUER & FELD LLP

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EXHIBIT A

Quarterly Report for the Period January 1, 2022 through March 31, 2022

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

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

**LITIGATION TRUST’S QUARTERLY REPORT FOR THE PERIOD
JANUARY 1, 2022 THROUGH MARCH 31, 2022**

A. Background

1. This report (the “Report”) of the litigation trust (the “Litigation Trust”) established pursuant to 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 [ECF No. 503-1] (the “Plan”) has been prepared for the period of January 1, 2022 through March 31, 2022 (“Q1 2022”) pursuant to section 4.13 of the Litigation Trust Agreement.² The financial data

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. 18-13374 (MEW)) is not a Reorganized Debtor.

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

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* [ECF 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 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 Melissanidis ("Melissanidis") 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 was argued before the United States Court of Appeals for the Second Circuit on February 25, 2021, following full briefing. On November 18, 2021, the Second Circuit issued a short summary order affirming the District Court's dismissal of the Litigation Trust's action.

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., Melissanidis, Georgios Melissanidis, OilTank Engineering & Consulting Ltd. ("OTE"), Leveret International S.A., George Tzannakos and Stylianos Kostopoulos (collectively,

the “Luxembourg Defendants”). The Luxembourg District Court has directed the parties to brief on both the Preliminary Issues and the merits of the proceedings. The Litigation Trust filed a written submission covering substantive and procedural issues on October 4, 2021. The Luxembourg Defendants were given an extension until April 4, 2022 to file responsive papers.

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 August 5, 2020, following a contested hearing, the Cyprus Court maintained the freezing injunction over certain assets of certain defendants in the Luxembourg Action, including Melissanidis. These defendants have filed appeals against the freezing injunctions. The Litigation Trust has also filed an appeal against the Cyprus District Court’s order releasing Nitrolina on December 23, 2020. A hearing is scheduled for May 17, 2022.

9. As previously reported, the Litigation Trust sought and obtained the appointment of a receiver over OTE in Civil Action Number 2019-109 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. As of the date of this Report, the receiver over OTE remains in place until August 21, 2022.

C. Status of Claims Resolution and Distribution Process

10. 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.

11. 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)* [ECF No. 610] (the "First Omnibus Claims Objection"). On November 19, 2019, the Court entered the *Order Disallowing and Expunging Claims* [ECF No. 626], which sustained the First Omnibus Claims Objection and disallowed and expunged the claims set forth on Schedules 1-4 thereto.

12. On May 15, 2020, the Litigation Trust filed the *Litigation Trust's Second Omnibus Objection to Claims (Equity Interest Claims)* [ECF 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)* [ECF 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* [ECF No. 699]; *Order Reclassifying Claims* [ECF No. 700].

13. 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)* [ECF 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* [ECF No. 738].

14. Contemporaneously herewith, the Litigation Trust filed the *Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period January 1, 2022 through March 31, 2022* [ECF No. 775] disclosing certain adjustments to the Claims Register made pursuant to section 4.10(g) of the Litigation Trust Agreement during Q1 2022.³

³ Reports for prior quarters in which the Litigation Trust addressed claims pursuant to section 4.10(g) of the Litigation Trust Agreement are available on the Debtors' claims and noticing agent's website (<https://dm.epiq11.com/case/aegean/dockets>). *See Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period July 1, 2019 through September 30, 2019* [ECF No. 659]; *Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period October 1, 2019 through December 31, 2019* [ECF No. 660]; *Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period January 1, 2020 through March 31, 2020* [ECF No. 703]; *Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period April 1, 2020 through June 30, 2020* [ECF No.

15. The Litigation Trust continues to review and analyze the remaining unresolved claims and may prepare additional objections to certain claims that the Litigation Trust and its advisors believe should be disallowed, reclassified and/or expunged.⁴

D. Financial Statements

16. The Litigation Trust's quarterly financial statements for Q1 2022 are attached hereto as **Schedule 1**.

Dated: New York, New York
May 16, 2022

AKIN GUMP STRAUSS HAUER & FELD LLP

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708]; *Notice of Litigation Trust's Quarterly Disputed Claims Report for the Period January 1, 2021 through March 31, 2021* [ECF No. 746].

⁴ To date, the Litigation Trust has objected to, reclassified, allowed or otherwise resolved more than 300 claims. As of the date hereof, there are fewer than five claims remaining for the Litigation Trust to resolve.

Schedule 1

Quarterly Financial Statements – January 1, 2022 through March 31, 2022

Aegean Litigation Trust

Profit & Loss

January through March 2022

Accrual Basis

Jan - Mar 2022

Ordinary Income/Expense	
Income	
Payments from Third Parties	0.00
Total Income	0.00
Expense	
Bank Charges	1,119.39
Claims Agent Fees/Data Hosting	32,046.71
Insurance Expenses	0.00
Legal & Professional Fees	
Board Member Fees	45,000.00
Contingency Fees	0.00
Legal Expenses	0.00
Reimbursable Expenses	0.00
Legal & Professional Fees - Other	200,707.54
Total Legal & Professional Fees	245,707.54
Taxes	0.00
Trustee Reduced Admin Hourly	5,158.47
Total Expense	284,032.11
Net Ordinary Income	-284,032.11
Other Income/Expense	
Other Income	
Interest Income	226.73
Total Other Income	226.73
Net Other Income	226.73
Net Income	-283,805.38

Aegean Litigation Trust

Balance Sheet

As of March 31, 2022

Accrual Basis

Mar 31, 2022

ASSETS

Current Assets

Checking/Savings

Aegean LT-Disputed CI Rsrv 5528 4,224,020.32

Aegean LT-Operating 5510 9,752,201.46

Total Checking/Savings 13,976,221.78

Other Current Assets

Prepaid Fees 12,500.00

Total Other Current Assets 12,500.00

Total Current Assets 13,988,721.78

TOTAL ASSETS 13,988,721.78

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable 35,076.98

Total Accounts Payable 35,076.98

Total Current Liabilities 35,076.98

Long Term Liabilities

Litigation Trust Loan 11,850,000.00

LT Funding Fee Payable 3,000,000.00

Total Long Term Liabilities 14,850,000.00

Total Liabilities 14,885,076.98

Equity

Disputed Claims Reserve 4,179,910.69

Funding Fee -3,000,000.00

Retained Earnings -1,792,460.51

Net Income -283,805.38

Total Equity -896,355.20

TOTAL LIABILITIES & EQUITY 13,988,721.78