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December 28, 2020

David J. Bradley, Clerk of Court

United States Bankruptcy Court Southern District of Texas-Houston Division Courtroom 400, 4<sup>th</sup> Floor 515 Rusk Street Houston, Texas 77002

Re: Hi-Crush Inc., et al. Reorganized Debtors Chapter 11 Case No. 20-33496 (DRJ)

Timely legal Creditor Response to the Sixth Omnibus Objection filed by Hi-Crush, Inc. and the said "Reorganized Debtors".

Dear United States Bankruptcy Court:

I am formally and legally filing a complete detailed timely legal Claimant Response to the current Debtor Omnibus Objection in accordance with Bankruptcy Rule 3007(d).

I am a legal confirmed Creditor of the said Debtor, Hi-Crush, Inc and the Reorganized Debtors, having been unilaterally solicited by Hi-Crush, Inc corporate executives on numerous occasions and events during and in the early months of FY-2019, to lend honest hard-earned monies to the Debtor prior to then anticipated and expected high-probability of Debtor filings for Chapter 11 in subsequent FY-2020. I have also filed a prior timely fully accepted Form 410- Proof of Claim in the amount of \$9,000.00, with all required full documentation on or about July 27, 2020. My prior Proof of Claim has been accepted by the Court, and my status as a legal fully documented Creditor in the prior Chapter 11 Bankruptcy case has been confirmed and fully documented.

I am herein formally requesting that the Court promptly correct the legal records for my status as a current outstanding Creditor and not ever as a post Chapter 11 Schedule 1-Equity Claim, that being a deliberate deceptive and fraudulent attempt by the Debtor and the so-called "Reorganized Debtors to avoid repayment of the outstanding loan. The law firm for the Debtor, Latham & Watkins, LLP, with intent to dishonestly defraud legal Creditors such as myself diabolically created in the said Chapter 11 Bankruptcy case a deceptive and fraudulent Class 8- Old Parent Interests, and other obstacles with no voting rights, as a vicious illegal seizure all reasonable just reimbursement to the Creditor. As a current valid Creditor, I have never witnessed a law firm with deliberate intent to defraud valid Creditors and to create such a draconian false Class during the said Chapter 11 case in all of recorded and documented history. As a case in point and exhibit is the obvious devious dishonest selection of a Class named "old parent interest", being criminally

deceptive. There is nothing "old" about lending funds to publically traded Hi-Crush, NYSE symbol HCR (this was not old as I lent the stated monies as unilaterally and aggressively solicited by Debtor in the early months of FY-2019} and as to "parent" that is even more deceptively named as the parent is obviously the Debtor who fraudulently and deceptively hid in the Chapter 11 Bankruptcy process with a concocted new name. The Court should immediately demand that the Debtor, the Reorganized Debtors and deceptive dishonest Debtor attorneys remove my name from the current stated Omnibus Objection, and immediately repay the Creditor the outstanding loan debt of \$9,000.00, plus interest and penalties due as determined and awarded by the Court.

Further action should be made by the Court to ascertain the specific executives of Hi-Crush, Inc., the Reorganized Debtors and the specific dishonest attorneys at Latham Watkins who criminally and deceptively created such a false potential class as an "old parent interest" classes and other obstacles during the prior Chapter 11 hearing process. Those individuals should be removed from any further participation in this Omnibus Objection and denied any compensation for fees or expenses.

Attorneys so involved in this nefarious action should be debarred from ever practicing in any future public case, and the Court should claw-back any salary increases or stock options granted to such Debtor executives, or Reorganized Debtors if made less than 18 months prior to the July 12, 2020 date of the voluntary petition by the Debtors for reorganization under Chapter 11 of the Bankruptcy Code.

As further support of my herein Formal Response to this current shameless deceptive Omnibus Objection by the Reorganized Debtors, I submit Exhibit-A and Exhibit-B to the Court, being Reuters/US Legal News documenting that the Board of Hi-Crush issued in excess of \$3 million in bonuses to its top four executives just days prior to declaring public bankruptcy. The majority of the current so-called "new leadership" of the Reorganized Debtors is the same executives from a prior acquired subsidiary. The Reorganized Debtors have made a mockery of the Chapter 11 and now post reorganized company legal process. The Court should swiftly and decisively deny this deceptive dishonest Omnibus Objection by the Reorganized Debtors.

In summary, as a registered professional, lifetime active vocational energy sector career employee and technical lifetime contributor to the US domestic energy sector, I am deeply disturbed by the mindless business decisions made by weak failed business executives of the Debtor, Hi-Crush and now Reorganized Debtors. Any intelligent even novice business manager n the energy field knows it to be historically a volatile cyclical commodity driven business, and therefore builds cash reserves and pays down high-interest debt in strong markets; the weak and failed executives at Hi-Crush did neither and should have been treated more harshly in bankruptcy Court for their failures. Certainly now the Court should swiftly deny this dishonest fraudulent attempt by the Reorganized Debtors as an Omnibus Objection to my legitimate claim for repayment. I will also simultaneously notify and file my legal formal Response to the Department of Justice here in Washington, DC to assure denial of this fraudulent Omnibus Objection and assure a timely repayment by the Reorganized Debtors of the stated monies loan.

## Respectfully submitted,

Peter Spuler, PE. (Responding Claimant / Party Authorized to Resolve & Receive

Compensation/Repayment of Funds Registered Professional Engineer

Confirmed and Documented Creditor

Mailing Address: 10800 Blackpowder Court

Fort Washington, Maryland 20744 Email: <u>pete.spuler@comcast.net</u> Phone: (202) 746-1846 (office)

cc: Latham & Watkins LLP
Hunton Andrews Kurth LLP
United States Trustee
U. S. Department of Justice (Washington, DC)

encl-Exhibits-A/B

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" MINUTES AGO

7 MINUTES AGO

Exhibit A

U.S. LEGAL NEWS

AUGUST 13, 2020 / 7:09 AM / UPDATED 5 MONTHS AGO

# How a Texas shale supplier's founders made fortunes asome

By Liz Hampton

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(Reuters) - On July 7, the board of directors at Texas fracking sand supplier-Hi-Crush-granted nearly \$3 million in bonuses to four top-executives, including \$1.35 million for CEO and founder Robert Rasmus.

FILE PHOTO: Drilling rigs operate at sunset in Midland, Texas U.S. February 13, 2019. Picture taken February 13, 2019. REUTERS/Nick Oxford/File Photo

### Prive days latter, thre company/declared/bankruptcy.

The payout marked the latest in a series of board decisions that allowed the oilfield supplier's top executives and founders to rake in tens of millions of dollars as shareholders saw the stock price plummet to pennies.

The three-member independent board has since 2013 included two people with close ties to Rasmus: John Kevin Poorman, a former next-door neighbor in Illinois, according to deed records; and John Affleck-Graves, who until 2019 was the chief financial officer of the University of Notre Dame, Rasmus' alma mater and a recipient of his donations.

Rasmus gave an undisclosed amount of money for a new 4,000-square-foot entertainment facility - dubbed the Rasmus Family Club - that opened in 2017 at Notre Dame stadium, where its storied football team plays. At same the time, Affleck-Graves served as the university's chief financial officer - and, as a Hi-Crush director, was signing off on deals that put millions of dollars in Rasmus' pocket.

Since 2014, the board has approved \$640 million in company purchases of three sand mines and other assets in which Rasmus and his two co-founders each held a 12.78% stake, according to regulatory filings. The sales grossed the founders a combined \$245.5 million, a windfall that came at the expense of other shareholders.

Many investors would view Rasmus' donation to Notre Dame as creating a conflict of interest with a board member who also served as the university's CFO and could have benefitted from an associate's major donation to the school, said Charles Elson, Director of the University of Delaware's Weinberg Center for Corporate Governance.

Notre Dame declined to comment on the Rasmus donation. A university spokesman, Paul Browne, said in a statement that Affleck-Graves integrity is "beyond reproach." Affleck-

713,980,6200



# **NEWS RELEASES**

# Hi-Crush Inc. Announces Appointment of New Leadership Team

HOUSTON, Dec. 3, 2020 PRNewswire/ — Hi-Crush Inc. ("Hi-Crush" or the "Company"), today announced that its Board of Directors has appointed a new executive team to manage the Company's next phase of growth. Dirk Hailen was named Chief Executive Officer, Stephen White was appointed Chief Operating Officer, and William Barker was named General Counsel and Chief Commercial Officer. All appointments were effective as of November 30, 2020.

"We are excited for the energy and fresh perspective this group will bring to Hi-Crush," said Colin Leonard, Chairman of the Board of Hi-Crush. "Along with the rest of the Board, I look forward to working closely with Dirk and the new team to continue building a market leader in the frac sand and logistics sectors."

Wir. Hallen was previously Co-founder and Chief Executive Officer of Pronghorn Logistics. L.C. (\*ProAghorn'), which was acquired by Hi-Grush in May 2019. Prior to Pronghorn, he was the Director of Corporate Development at Rockpile Energy Services and worked as a management consultant at Booz & Company focused on the oil and

gas industry. Mr. Hallen will also serve on the Board of Directors of Hi-Crush.

Wir. White co-founded Projection with Mr. Hallen and served as Projection's Chief Operating Officer. After Hi-Crush's acquisition of Pronghorn, he served as Vice President of Logistics and Field Services at Hi-Crush. Prior to Pronghorn, Mr. White was Director of Business Operations at Pockpile Energy Services, and also previously worked at Schlumberger and Pioneer Energy Services.

Mr. Barker most recently was Associate General Counsell at Insperity, Inc. He previously served in various roles during his prior live years at Hi-Grush, including as Associate General Counsel, Vice President of Midstream Operations, and Principal Strategy Officer. Mr. Barker previously worked for the law firm of Norton Rose Fulbright US LLP.

"I am grateful to the Board for giving me the opportunity to lead such a talented and dedicated group of people," said Mr. Hallen. "Along with Stephen, William and the rest of the Company's leadership, I look forward to the journey ahead at Hi-Crush as we focus on building on its long history of efficient frac sand production, excellent customer service, and technological innovation."

#### About Hi-Crush Inc.

Hi-Crush Inc. is a fully-integrated provider of proppant and logistics services for hydraulic fracturing operations, offering frac sand production, advanced wellsite storage systems, flexible last mile services, and innovative software for real-time visibility and management across the entire frac sand supply chain. Our strategic suite of solutions provides operators and service companies in all major U.S. oil and gas basins with the ability to build safety, reliability and efficiency into every completion. For more information, please visit www.hicrushinc.com.

Contact: (713) 980-6200 ir@hicrush.com

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