

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

SOUTHCROSS ENERGY PARTNERS L.P., *et al.*

**Debtors.**<sup>1</sup>

Chapter 11

Case No. 19–10702-MFW

(Jointly Administered)

**Re: Docket No. 114**

**DEBTORS’ OBJECTION TO MOTION TO SET EXPEDITED HEARING DATE AND  
SHORTEN NOTICE PERIOD WITH RESPECT TO MOTION OF IVY GONZALEZ,  
ON BEHALF OF M.R. GONZALEZ, M.N. GONZALEZ, MINOR CHILDREN, THE  
ESTATE OF JESUS GONZALEZ, JR., AMY GONZALEZ, JESUS GONZALEZ, SR.,  
AND RENE ELIZONDO, FOR RELIEF FROM AUTOMATIC STAY PURSUANT TO  
SECTION 362(d) OF THE BANKRUPTCY CODE**

Southcross Energy Partners, L.P. (“**Southcross**”) and its affiliated debtors in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), as debtors and debtors-in-possession (collectively, the “**Debtors**”), hereby file this Objection (the “**Objection**”) to the Motion to Set Expedited Hearing Date and Shorten Notice Period [D.I. 114] (the “**Motion**”) filed by Ivy Gonzalez, on behalf of M.R. Gonzalez, M.N. Gonzalez, minor children, the Estate of Jesus

<sup>1</sup> The debtors and debtors in possession in these Chapter 11 cases and the last four digits of their respective Employer Identification Numbers are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings, LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



Gonzalez, Jr., Amy Gonzalez, Jesus Gonzalez, Sr., and Rene Elizondo (collectively, “**the Gonzalez Plaintiffs**”). In support of the Objection, the Debtors, by and through their undersigned counsel, respectfully state as follows:

### **INTRODUCTION**

1. The Gonzalez Plaintiffs’ Motion, filed without any prior notice to the Debtors (or the United States Trustee), violates this Court’s Local Rule 9006-1(e). In doing so, the Motion prejudices the Debtors by failing to give the Debtors adequate time to coordinate with the various state court counsel handling these actions. The Gonzalez Plaintiffs provide no explanation for their failure to comply with Local Rule 9006-1(e).

2. There is also no emergency here to justify the relief requested. The Gonzalez Plaintiffs are currently pursuing personal injury claims in two coordinated Texas District Court proceedings against a Southcross subsidiary that has filed for Chapter 11 protection. *See Gonzalez v. Southcross CCNG Transmission, Ltd.*, Cause No. DC-18-82 (Tex. Dist. Ct.); *Gonzalez v. Southcross CCNG Transmission, Ltd.*, Cause No. DC-18-83 (Tex. Dist. Ct.). The parties have not commenced any discovery in these proceedings. Nor have the parties had an opportunity to file further dispositive motions or attend any mediations that were scheduled to commence before trial. Thus, although a trial is technically on the calendar in the state court proceedings for May 28th (not May 20th as Plaintiffs assert), regardless of how or when this Court rules on the Gonzalez Plaintiffs’ underlying motion for relief from the automatic stay, the trial cannot realistically begin on this date. Indeed, counsel for the Gonzalez Plaintiffs has already *admitted* this in the state court proceedings.

3. Finally, this “emergency” is entirely self-created. The Debtors filed for Chapter 11 bankruptcy on April 1, 2019. The Gonzalez Plaintiffs had ample time to proceed with the lift-

stay motion on regular notice. Instead, they waited and now seek to shorten the Debtors' time to respond to make up for their own delay. To schedule an extraordinary hearing for the Gonzalez Plaintiffs' lift-stay motion under these circumstances would be an unnecessary expenditure of both time and the Debtors' assets and resources.

### **ARGUMENT**

4. Rule 9006(c) of the Federal Rules of Bankruptcy Procedure permits the Court "for cause shown" to order time periods set by the Bankruptcy Rules to be reduced. In exercising its discretion, the Court should "consider the prejudice to parties entitled to notice and weigh this against the reasons for hearing the motion on an expedited basis." *In re Philadelphia Newspapers, LLC*, 690 F.3d 161, 171 (3d Cir. 2012).<sup>2</sup> The Gonzalez Plaintiffs' motion fails for at least four separate reasons.

5. *First*, the Gonzalez Plaintiffs failed to comply with this Court's Local Rule 9006-1(e). This Rule requires that the "motion requesting shortened notice shall include an averment of Delaware Counsel for the moving party that a reasonable effort has been made to notify at least counsel to the debtor, counsel to the United States Trustee, counsel to any official committee appointed in the case and any chapter 7, 11 or 13 trustee and whether such party objected to the relief sought, or not, or the basis for the moving party not making such an effort. Unless otherwise ordered, failure to so aver may result in denial of the motion to shorten." Del. Bankr. L.R. 9006-1(e).

6. The Gonzalez Plaintiffs made no attempt, let alone a "reasonable effort," to contact Debtors' counsel—neither Debtors' proposed counsel in this Chapter 11 case, nor

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<sup>2</sup> As noted by the Fifth Circuit in *In re Hester*—a case cited by the Gonzalez Plaintiffs (*see* Motion ¶ 5)—if notice periods are shortened as Gonzalez Plaintiffs request here, "the time required for preparation of an adequate response is virtually lost, all to the benefit of the movant and to the severe detriment of any party in interest taking a position adverse to that of the movant." 899 F.2d 361, 364 n.3 (5th Cir. 1990).

Debtors' counsel in the underlying state-court litigations—regarding this Motion in advance of its filing. The Gonzalez Plaintiffs' counsel informed Debtors' local counsel in Texas that he would seek to lift the automatic stay, but never said that he would seek to do so on an emergency, expedited basis. As a result, Debtors' counsel was surprised to learn that they may need to litigate the lift-stay motion over a span of just a few days and over a holiday weekend.<sup>3</sup> This compressed briefing schedule prejudices the Debtors, who need time to coordinate with counsel in the Texas tort litigations. The Gonzalez Plaintiffs' failure to comply with the Rule alone should “result in denial of the motion to shorten.” Del. Bankr. L.R. 9006-1(e).

7. *Second*, this so-called emergency is of the Gonzalez Plaintiffs' own creation. The Debtors filed a voluntary petition for Chapter 11 relief on April 1, 2019, and notice of the automatic stay was filed in the Gonzalez Plaintiffs' state-court litigation three days later. *See* Defendant Southcross CCNG Transmission, Ltd.'s Suggestion of Bankruptcy and Notice of Automatic Stay, *Gonzalez v. Southcross CCNG Transmission, Ltd.*, Cause No. DC-18-82 (Tex. Dist. Ct. Apr. 4, 2019), attached as Exhibit 1. The Gonzalez Plaintiffs have thus been on notice of the automatic stay for more than two weeks and could have filed the lift-stay motion on regular notice to all parties. Instead, the Gonzalez Plaintiffs sat on their hands and now rush to Court claiming there is an “emergency” that justifies denying the Debtors the 21 days they normally have to respond to a request for a hearing under this Court's Local Rules. *See* Del. Bankr. L.R. 4001-1(b) (requiring a hearing on 28 days' notice); Del. Bankr. L.R. 4001-1(c)(ii) (providing for responses to be filed 7 days prior to the hearing). As the Gonzalez Plaintiffs'

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<sup>3</sup> Moreover, the Gonzalez Plaintiffs incorrectly assert that “Debtors will not object to the relief requested in the Stay Relief Motion.” (Motion at ¶ 9.) Debtors' counsel never made such a representation.

request for a shortened notice period is of a “self-inflicted nature,” the Motion should be denied. *Pappan Enterprises, Inc. v. Hardee’s Food Sys., Inc.*, 143 F.3d 800, 806 (3d Cir. 1998).

8. *Third*, the Gonzalez Plaintiffs greatly exaggerate the urgency of a trial in the Texas litigation, to put it mildly. No matter how or when this Court rules on this Motion or the Motion for Stay Relief, the trial in the Texas litigation cannot realistically take place on May 20, 2019. To begin with, the District Court already moved the trial to May 28, 2019. Notice of Re-Setting, *Gonzalez v. Southcross CCNG Transmission, Ltd.*, Cause No. DC-18-82 (Tex. Dist. Ct. Mar. 1, 2019) attached as Exhibit 2. Next, the actions are not anywhere near ready for trial. Of the two actions that are scheduled to jointly go to trial on May 28, the parties have thus far conducted *no discovery at all* in one of them, and *no expert discovery at all* in either.<sup>4</sup> Nor have the parties had an opportunity to file further dispositive motions, including a motion for permissive appeal by Southcross that could ultimately terminate the litigation.<sup>5</sup> Additionally, the mediations that were scheduled to commence before the trial but have since been removed from the calendar would need to be rescheduled as well.

9. Moreover, counsel for the Gonzalez Plaintiffs has *admitted* that the trial will not go forward next month. He stated, on the record in the trial court, that the only purpose of having a trial date scheduled for next month is that it might encourage the Debtors’ insurers to participate in the mediations that have already been postponed in any event. During a February 20, 2019 court hearing, Gonzalez Plaintiffs’ counsel stated: “I understand that the Court’s not

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<sup>4</sup> The Gonzalez Plaintiffs skirt around this basic fact by misleadingly noting that “[e]xperts have been hired.” (Motion at ¶ 6 (emphasis added).) Of course, much has to happen between the mere hiring of experts and the completion of expert discovery.

<sup>5</sup> The Gonzalez Plaintiffs’ claims were the subject of a prior trial and judgment involving a different Southcross entity. Their current claims are barred by res judicata, an issue that Debtors intend to raise in the Texas appellate courts.

even available then . . . we know it's not going to go because the Court is not available but I think we need to keep it on to hold their feet to the fire.” Transcript Hearing at 50:5–10, *Gonzalez v. Southcross CCNG Transmission, Ltd.*, Cause No. DC-18-82 (Tex. Dist. Ct. Feb. 20, 2019), attached as Exhibit 3; *see also id.* at 49:20–23 (“[T]he people way in London they respond better with a deadline, and having a trial date in place perhaps will get them to fly across the pond and take a mediation seriously.”). The Gonzalez Plaintiffs’ attempt to manufacture an emergency in this Court to try to expedite their lift-stay motion thus borders on the disingenuous.

10. *Finally*, scheduling a second, emergency hearing before the May 7 hearing date will impose unnecessary costs on the Debtors, in terms of additional travel to Delaware and time lost, and impose additional burdens on the Court. And the need for the Debtors to coordinate among various counsel in the state and bankruptcy court proceedings will take time and attention away from other critical matters. *See In re Cont’l Airlines*, 177 B.R. 475, 481 (D. Del. 1993) (noting that litigation poses distraction for debtors and substantially detracts from reorganization efforts). Such costs are not warranted here.

### **CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court deny the Gonzalez Plaintiffs’ Motion to set an expedited hearing date and shorten the notice period.

Dated: April 19, 2019  
Wilmington, Delaware

Respectfully submitted,  
MORRIS, NICHOLS, ARSHT & TUNNELL LLP

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT 1**



**CAUSE NO. DC-18-82**

IVY GONZALEZ, ON BEHALF OF M.R.	§	IN THE DISTRICT COURT
AND M.N. GONZALEZ, MINOR	§	
CHILDREN	§	
<i>Plaintiffs</i>	§	
	§	
v.	§	229TH JUDICIAL DISTRICT
	§	
SOUTHCROSS CCNG TRANSMISSION,	§	
LTD.; GENE HENNEKE, AS INDEPENDENT	§	
ADMINISTRATOR OF THE ESTATE OF	§	
DENNIS HENNEKE; GALBRAITH	§	
CONTRACTING, INC.; AND SEVERO	§	
SEPULVEDA, JR.	§	
<i>Defendants</i>	§	DUVAL COUNTY, TEXAS

**- Consolidated with -**

**CAUSE NO. DC-18-83**

AMY GONZALEZ, AS CO-	§	IN THE DISTRICT COURT
REPRESENTATIVE OF THE ESTATE OF	§	
JESUS GONZALEZ, JR. AND ON BEHALF	§	
OF M.R. GONZALEZ AND M.N.	§	
GONZALEZ, MINOR CHILDREN; AND	§	
AMY GONZALEZ AND JESUS GONZALEZ,	§	
SR.	§	
<i>Plaintiffs</i>	§	
	§	
v.	§	229TH JUDICIAL DISTRICT
	§	
SOUTHCROSS CCNG TRANSMISSION,	§	
LTD.; GENE HENNEKE, AS INDEPENDENT	§	
ADMINISTRATOR OF THE ESTATE OF	§	
DENNIS HENNEKE; GALBRAITH	§	
CONTRACTING, INC.; AND SEVERO	§	
SEPULVEDA, JR.	§	
<i>Defendants</i>	§	DUVAL COUNTY, TEXAS

**DEFENDANT SOUTHCROSS CCNG TRANSMISSION, LTD.'S  
 SUGGESTION OF BANKRUPTCY AND NOTICE OF AUTOMATIC STAY**

TO THE HONORABLE JUDGE OF SAID COURT:

Defendant, Southcross CCNG Transmission, Ltd., files this Suggestion of Bankruptcy and Notice of Automatic Stay, suggesting to this Court that all further action in the above-styled cause be and is stayed. Southcross CCNG Transmission, Ltd. further shows the Court as follows:

### **I. DEFENDANT’S SUGGESTION OF BANKRUPTCY**

On April 1, 2019, Southcross Energy Partners, L.P., Southcross Energy Partners GP, LLC, and certain respective subsidiary and affiliated entities, including but not limited to Southcross CCNG Transmission, Ltd., filed voluntary petitions in bankruptcy under Case Numbers 19-10702-MFW through 19-10728-MFW, and a Motion for Joint Administration, in the United States Bankruptcy Court for the District of Delaware, under 11 U.S.C. § 1101, *et seq.* The filing of the voluntary bankruptcy petition in Case No. 19-10703 as to Southcross CCNG Transmission, Ltd. constitutes an order for relief pursuant to the Bankruptcy Code, 11 U.S.C. § 301 or 302. (*See* Ex. A, a true and correct copy of the Petition for Bankruptcy in Case Number 19-10703-MFW)

### **II. NOTICE OF AUTOMATIC STAY**

As a result of the filing of Defendant’s petition under the Bankruptcy Code, certain acts and proceedings against the Defendant/debtor and the property of the Defendant/debtor are automatically stayed by virtue of the provisions of 11 U.S.C. § 362(a). The automatic stay prohibits, without limitation, the commencement or continuation of any judicial proceeding against any of the debtors that was or could have been commenced before the filing of the petition, any attempt to enforce a judgment against

any of the debtors or their property, any act to obtain possession of or exercise control over property of the debtors' estates or any act to create, perfect or enforce any lien against property of the debtors' estates. This automatic stay, which arises by operation of law, requires no judicial action, applies to all entities and extends to the commencement or continuation of a judicial, administrative, or other action or proceeding against Southcross CCNG Transmission, Ltd. that was or could have been commenced before the commencement of the bankruptcy case under 11 U.S.C. § 1101, *et seq.*

### III.

The above-styled cause was filed on or about April 10, 2018—prior to the April 1, 2019 filing of Southcross CCNG Transmission, Ltd.'s Petition for Bankruptcy.

WHEREFORE, PREMISES CONSIDERED, it is suggested that this Court, in accordance with the provisions of 11 U.S.C. § 1101, *et seq.* and 11 U.S.C. § 362(a), must stay all further proceedings and action in this cause.

Respectfully submitted,

/s/ Jessica Z. Barger

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***Attorneys for Defendant Southcross CCNG  
Transmission Ltd.***

**CERTIFICATE OF SERVICE**

I certify that on April 4, 2019, a true and correct copy of the foregoing instrument was served on all counsel of record consistent with TEX. R. CIV. P. 21a.

/s/ Jessica Z. Barger  
Jessica Z. Barger

**Exhibit A****Fill in this information to identify the case:**

United States Bankruptcy Court for the:

\_\_\_\_ District of Delaware  
(State)Case number (if known): \_\_\_\_\_ Chapter 11☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy****04/19**

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 the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. **Debtor's name** Southcross Energy Partners GP, LLC

2. **All other names debtor used in the last 8 years** \_\_\_\_\_

Include any assumed names, trade names, and *doing business as* names

3. **Debtor's Federal Employer Identification Number (EIN)** 32-0375141

4. **Debtor's address** **Principal place of business** **Mailing address, if different from principal place of business**

1717 Main Street  
Number Street

\_\_\_\_\_  
Number Street

Suite 5300

\_\_\_\_\_  
P.O. Box

Dallas, Texas 75201  
City State ZIP Code

\_\_\_\_\_  
City State ZIP Code

Dallas County, Texas  
County

**Location of principal assets, if different from principal place of business**

\_\_\_\_\_  
Number Street

\_\_\_\_\_  
City State ZIP Code

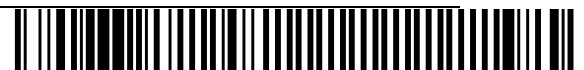
5. **Debtor's website (URL)** www.southcrossenergy.com

6. **Type of debtor**

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify: \_\_\_\_\_



**Exhibit A**

Debtor

Southcross Energy Partners GP, LLC  
Name

Case number (if known) \_\_\_\_\_

**7. Describe debtor's business**

A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))  
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))  
☐ Railroad (as defined in 11 U.S.C. § 101(44))  
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))  
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))  
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))  
☒ None of the above

B. Check all that apply:

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)  
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)  
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

4862**8. Under which chapter of the Bankruptcy Code is the debtor filing?**

Check one:

- ☐ Chapter 7  
☐ Chapter 9  
☒ Chapter 11.

Check all that apply:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625 (amount subject to adjustment on 4/01/22 and every 3 years after that).  
☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).  
☐ A plan is being filed with this petition.  
☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).  
☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.  
☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12**9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?**☒ No☐ Yes.

District \_\_\_\_\_ When \_\_\_\_\_ Case number \_\_\_\_\_  
 MM / DD / YYYY  
 District \_\_\_\_\_ When \_\_\_\_\_ Case number \_\_\_\_\_  
 MM / DD / YYYY

If more than 2 cases, attach a separate list.

**10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?**☐ No☒ Yes.

Debtor See attached Rider 1 Relationship Affiliate  
 District Delaware When 04/01/2019  
 MM / DD / YYYY  
 Case number, if known \_\_\_\_\_

List all cases. If more than 1, attach a separate list.

**Exhibit A**

Debtor Southcross Energy Partners GP, LLC Case number (if known) \_\_\_\_\_  
Name

**11. Why is the case filed in *this* district?**

Check all that apply:

- ☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- ☒ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

**12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?**

- ☒ No **See Rider 2**
- ☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

**Why does the property need immediate attention?** (Check all that apply.)

- ☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.  
What is the hazard? \_\_\_\_\_
- ☐ It needs to be physically secured or protected from the weather.
- ☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).
- ☐ Other \_\_\_\_\_

**Where is the property?**

Number \_\_\_\_\_ Street \_\_\_\_\_

\_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**Is the property insured?**

- ☐ No
- ☐ Yes. Insurance agency \_\_\_\_\_
- Contact name \_\_\_\_\_
- Phone \_\_\_\_\_

**Statistical and administrative information****13. Debtor's estimation of available funds**

Check one:

- ☒ Funds will be available for distribution to unsecured creditors.
- ☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

**14. Estimated number of creditors**

- |                                  |   |  |
|----------------------------------|---|--|
| <input type="checkbox"/> 1-49    | <input checked="" type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000     |
| <input type="checkbox"/> 50-99   | <input type="checkbox"/> 5,001-10,000           | <input type="checkbox"/> 50,001-100,000    |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000          | <input type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 |   |  |

**15. Estimated assets**

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> \$0-\$50,000          | <input type="checkbox"/> \$1,000,001-\$10 million    | <input checked="" type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000    | <input type="checkbox"/> \$10,000,001-\$50 million   | <input type="checkbox"/> \$1,000,000,001-\$10 billion         |
| <input type="checkbox"/> \$100,001-\$500,000   | <input type="checkbox"/> \$50,000,001-\$100 million  | <input type="checkbox"/> \$10,000,000,001-\$50 billion        |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion               |

**Exhibit A**

Debtor Southcross Energy Partners GP, LLC Case number (if known) \_\_\_\_\_  
Name

**16. Estimated liabilities**

- ☐ \$0-\$50,000      ☐ \$1,000,001-\$10 million      ☒ \$500,000,001-\$1 billion  
☐ \$50,001-\$100,000      ☐ \$10,000,001-\$50 million      ☐ \$1,000,000,001-\$10 billion  
☐ \$100,001-\$500,000      ☐ \$50,000,001-\$100 million      ☐ \$10,000,000,001-\$50 billion  
☐ \$500,001-\$1 million      ☐ \$100,000,001-\$500 million      ☐ More than \$50 billion

## Request for Relief, Declaration, and Signatures

**WARNING --** Bankruptcy fraud is a serious crime. Making a false statement 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.

**17. Declaration and signature of authorized representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition 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 04/01/2019  
MM / DD / YYYY

**X**

/s/ Michael B. Howe  
Signature of authorized representative of debtor

Michael B. Howe  
Printed name

Title Senior Vice President, Chief Financial Officer

**18. Signature of attorney****X**

/s/ Robert J. Dehney  
Signature of attorney for debtor

Date 04/01/2019  
MM / DD / YYYY

Robert J. Dehney  
Printed name

Morris, Nichols, Arsht & Tunnell LLP  
Firm name

1201 N. Market St., 16th Floor  
Number Street

Wilmington  
City

DE 19801  
State ZIP Code

(302) 658-9200  
Contact phone

rdehney@mnat.com  
Email address

3578  
Bar number

DE \_\_\_\_\_  
State



**Exhibit A****RIDER 1****PENDING OR CONCURRENT BANKRUPTCY CASES FILED BY AFFILIATES**

On April 1, 2019, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed a voluntary petition for relief under title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. A motion has been filed with the Court requesting that the chapter 11 cases of these entities be jointly administered for procedural purposes only.

<b>Entity Name</b>	<b>Federal Employer Identification Number (EIN)</b>
Southcross Energy Partners, L.P.	45-5045230
Southcross Energy Partners GP, LLC	32-0375141
Southcross Energy Finance Corp.	46-4022225
Southcross Energy Operating, LLC	90-0819605
Southcross Energy GP LLC	27-0364246
Southcross Energy LP LLC	27-0364304
Southcross Gathering Ltd.	27-0587233
Southcross CCNG Gathering Ltd.	75-2659553
Southcross CCNG Transmission Ltd.	74-2704531
Southcross Marketing Company Ltd.	27-0463313
Southcross NGL Pipeline Ltd.	27-0463214
Southcross Midstream Services, L.P.	26-3675932
Southcross Mississippi Industrial Gas Sales, L.P.	20-0067519
Southcross Mississippi Pipeline, L.P.	20-0067499
Southcross Gulf Coast Transmission Ltd.	75-2900546
Southcross Mississippi Gathering, L.P.	26-3862994
Southcross Delta Pipeline LLC	26-4246804
Southcross Alabama Pipeline LLC	32-0437180
Southcross Nueces Pipelines LLC	32-0437034
Southcross Processing LLC	45-2460672
FL Rich Gas Services GP, LLC	35-2535172
FL Rich Gas Services, LP	26-2090219
FL Rich Gas Utility GP, LLC	61-1763280
FL Rich Gas Utility, LP	30-0873644
Southcross Transmission, LP	35-2456432
T2 EF Cogeneration Holdings LLC	35-2470613
T2 EF Cogeneration LLC	45-5284976

<sup>1</sup> The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

**Exhibit A**

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

In re:

Chapter 11

SOUTHCROSS ENERGY PARTNERS, L.P.,  
*et al.*,

Case No. 19-\_\_\_\_\_ (\_\_\_)

Debtors.<sup>1</sup>

Joint Administration Requested

**CONSOLIDATED CORPORATE OWNERSHIP STATEMENT**

Pursuant to Rules 1007(a)(1) and 7007.1 of the Federal Rules of Bankruptcy Procedure, attached hereto as **Exhibit A** is an organizational chart reflecting all of the ownership interests in Southcross Energy Partners, L.P. (“**Southcross**”), certain of its debtor subsidiaries and affiliates, as debtors and debtors in possession in the above captioned chapter 11 cases (collectively, the “**Debtors**”), and certain of its non-debtor subsidiaries and affiliates. Southcross, on behalf of itself and the Debtors, respectfully represents the following:

1. Each Debtor listed in **Exhibit A** is 100% owned by its direct parent unless otherwise noted.
2. The partnership interests in Southcross are as follows:

<sup>1</sup> The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

**Exhibit A**

- a. Non-Debtor Southcross Holdings Borrower LP (“**Holdings**”) beneficially owns 71.04% of all outstanding partnership interests in Southcross.
- b. Southcross Energy Partners, GP, LLC beneficially owns 2% of all outstanding partnership interests in Southcross.
- c. Public investors hold 26.96% of all outstanding partnership interests in Southcross.

3. Holdings is the parent company of each of the Debtors (collectively, the “**Southcross Subsidiaries**”), and beneficially owns indirectly a 73.04% equity interest in each of the Southcross Subsidiaries. Public unitholders indirectly hold the remaining 26.96% equity interest in each of the Southcross Subsidiaries.

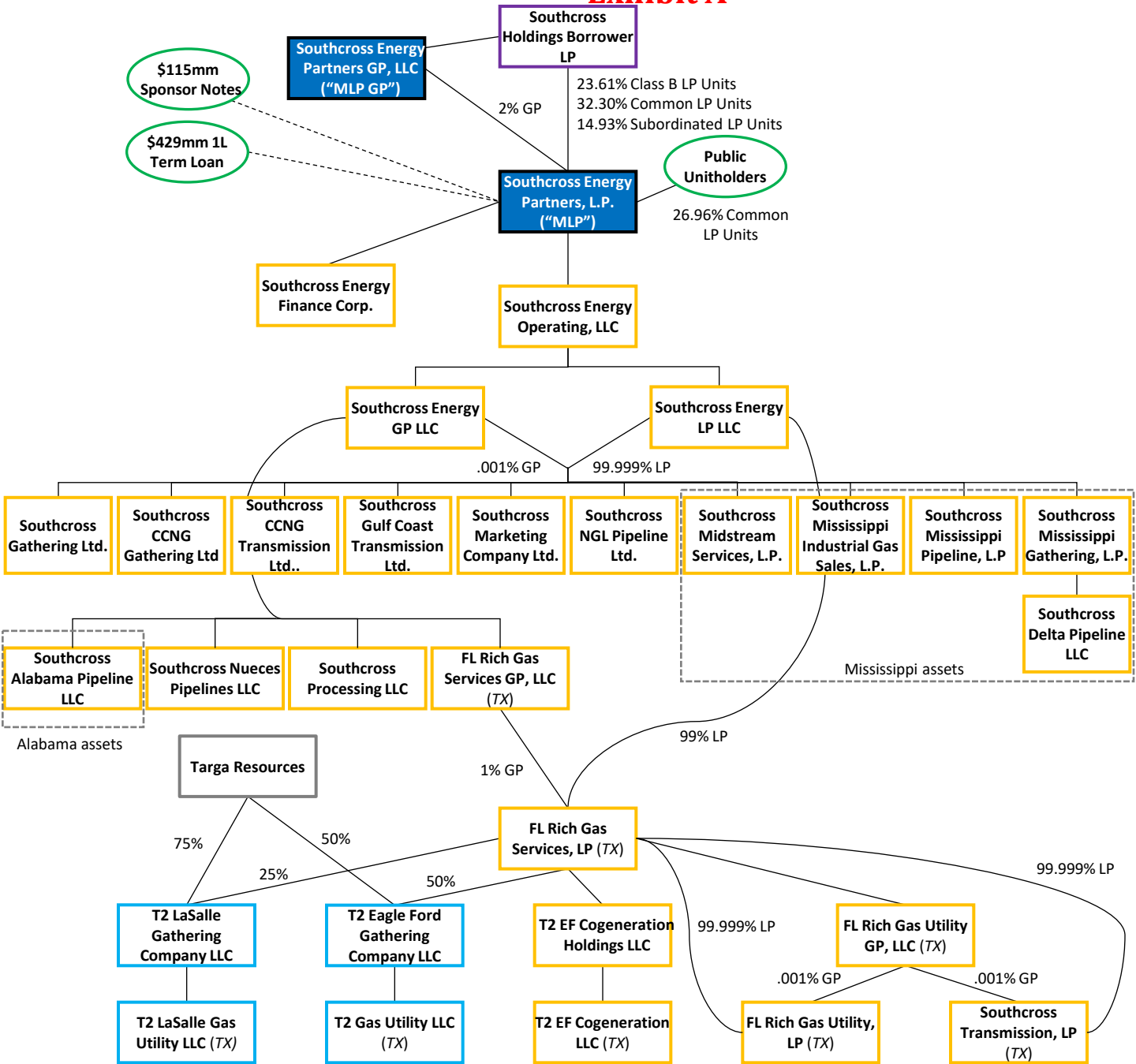
4. Southcross is a publicly traded master limited partnership. As of April 1, 2019, no person or entity, as defined in title 11 of the United States Code, other than Holdings, directly or indirectly owns 10% or more of the issued and outstanding partnership interests of Southcross.

**Exhibit A**

**EXHIBIT A**

Organization Chart

**Exhibit A**



**Key:**

Holdings Entities	MLP Operating Subs
MLP Top-Cos	JVs
Public and Non-Insider Investors	JV Partners

Unless otherwise noted, "Corp.," "LLC," and "LP" entities organized in Delaware; "Ltd." entities organized in Texas.

**Exhibit A****Fill in this information to identify the case and this filing:**Debtor Name Southcross Energy Partners GP, LLCUnited States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware  
(State)

Case number (If known): \_\_\_\_\_

**Official Form 202****Declaration Under Penalty of Perjury for Non-Individual Debtors****12/15**

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**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.**

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ Amended Schedule \_\_\_\_\_
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Consolidated Corporate Ownership Statement

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

Executed on 04/01/2019  
MM / DD / YYYY

**X**/s/ Michale B. Howe

Signature of individual signing on behalf of debtor

Michael B. Howe  
Printed name

Senior Vice President, Chief Financial Officer  
Position or relationship to debtor

**Exhibit A**

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

In re:	)	
	)	Chapter 11
	)	
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	Case No. 19-_____ (___)
<i>et al.</i> ,	)	
	)	Joint Administration Requested
Debtors. <sup>1</sup>	)	
	)	

**CONSOLIDATED LIST OF CREDITORS WHO HAVE THE 20 LARGEST  
UNSECURED CLAIMS AND ARE NOT INSIDERS**

The following is a list of creditors holding the 20 largest general unsecured claims against Southcross Energy Partners, L.P. and its subsidiaries (collectively, the “**Debtors**”) that have filed voluntary petitions for relief under title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware on April 1, 2019 (the “**Petition Date**”), on a consolidated basis. This list has been prepared from the Debtors’ books and records.

This list is prepared in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy Procedure for filing in the Debtors’ chapter 11 cases. This list does not include (a) persons who come within the definition of “insider” set forth in section 101(31) of the Bankruptcy Code or (b)

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<sup>1</sup> The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



## **Exhibit A**

secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the largest general unsecured claims.

This list reflects the information existing and available as of the Petition Date. The Debtors reserve and preserve their right to amend this list based on information existing as of the Petition Date.

The information presented herein, including the Debtors' failure to list any claim as contingent, unliquidated or disputed, does not constitute an admission or waiver of the Debtors' right to contest the validity, priority or amount of any claim.

**Exhibit A**

Fill in this information to identify the case:

Debtor name Southcross Energy Partners, L.P., et al.

United States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware

Case number (If known): \_\_\_\_\_

☐ Check if this is an amended filing**Official Form 204****Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders**

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim	Indicate if claim is contingent, unliquidated, disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	LEWIS PETRO PROPERTIES, INC. 10101 REUNION PL, STE 1000 SAN ANTONIO, TX 78216	ATTN: Garrett Glass Chief Financial Officer PHONE - (713) 751-0589 FAX - (713) 751-0531 EMAIL - info@lewisenergy.com	Trade Payable	Unliquidated			\$3,045,830
2	MARATHON OIL EF LLC 5555 SAN FELIPE HOUSTON, TX 77056	ATTN: Gary Wilson VP, Controller, & Chief Accounting Officer PHONE - (713) 629-6600 FAX - (713) 296-4490 EMAIL - gwilson@marathonoil.com	Trade Payable	Unliquidated			\$1,314,137
3	URBAN OIL & GAS GROUP, LLC 1000 E. 14TH STREET SUITE 300 PLANO, TX 75074	ATTN: Bonnie Shea President PHONE - (972) 543-8800 FAX - (972) 543-7843 EMAIL - bshea@urbanoilandgas.com	Trade Payable	Unliquidated			\$1,064,422
4	SUNDANCE ENERGY INC. (FKA SEA EAGLE FORD LLC) 1155 DAIRY ASHFORD RD HOUSTON, TX 77079	ATTN: Eric McCrady President PHONE - (720)-390-6244 FAX - (303) 543-5701 EMAIL - inquiries@sundanceenergy.net	Trade Payable	Unliquidated			\$983,883
5	SILVERBOW RESOURCES OPERATING LLC 575 N. DAIRY ASHFORD SUITE 1200 HOUSTON, TX 77079-1121	ATTN: Gleeson Van Riet Executive Vice President and Chief Financial Officer PHONE - (281) 874-2163 FAX - (281) 874-2863 EMAIL - gleeson.vanriet@gmail.com	Trade Payable	Unliquidated			\$869,792
6	HILCORP ENERGY CO 1201 LOUISIANA ST., STE 1400 ATTN: NICOLE ORTIZ HOUSTON, TX 77002	ATTN: Shelbie Dezell Senior Vice President, Chief Financial Officer PHONE - (713) 209-2400 FAX - (713) 209-2420 EMAIL - sdezell@hilcorp.com	Trade Payable	Unliquidated			\$818,159
7	OCCIDENTAL CHEMICAL CORPORATION PO BOX 594 ADDISON, TX 75001	ATTN: Marcia E. Backus Chief Compliance Officer, General Counsel & SVP PHONE - (713) 599-4155 FAX - (972) 448-6631 EMAIL - marcia_backus@oxy.com	Trade Payable	Unliquidated			\$726,922
8	TRINITY RIVER ENERGY LLC 15021 KATY FREEWAY HOUSTON, TX 77094	ATTN: Mark Craner Vice President of Finance PHONE - (817) 872-7800 FAX - (817) 872-7898 EMAIL - mcraner@trinityriverenergy.com	Trade Payable	Unliquidated			\$695,110

Name

## Exhibit A

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim	Indicate if claim is contingent, unliquidated, disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
9	COKINOS ENERGY, LLC DBA COKINOS ENERGY CORPORATION 5718 WESTHEIMER, SUITE 900 HOUSTON, TX 77057	ATTN: Michael E. Cokinos President and CEO PHONE - (713) 974-0101 FAX - (713) 952-6922 EMAIL - michael@cokinosenergy.com	Trade Payable	Unliquidated			\$678,979
10	ROCKALL ENERGY (FKA WHITE MARLIN OIL & GAS COMPANY, LLC) 5851 LEGACY CIRCLE STE 500 PLANO, TX 75024	ATTN: Lewis Gillies President & CEO PHONE - (713) 595-3600 FAX - (281) 920-9192 EMAIL -	Trade Payable	Unliquidated			\$644,589
11	TELLUS OPERATING GROUP LLC 602 CRESCENT PL STE 100 RIDGELAND, MS 39157	ATTN: C. Michael Pumphrey General Counsel PHONE - (601) 898-7444 FAX - (601) 898-7445 EMAIL - mpumphrey@tellusoperating.com	Trade Payable	Unliquidated			\$628,374
12	VENADO OIL & GAS (DBA VOG PALO VERDE LP) 13301 GALLERIA CIRCLE SUITE 300 AUSTIN, TX 78738	ATTN: Scott Garrick Chief Executive Officer PHONE - (512) 518-2914 FAX - (512) 518-2910 EMAIL - owner.relations@vogllc.com	Trade Payable	Unliquidated			\$579,181
13	EL DORADO OIL & GAS, INC. 1261 PASS ROAD GULFPORT, MS 39501	ATTN: Rick Spangle President PHONE - (870) 918-0654 FAX - EMAIL -	Trade Payable	Unliquidated			\$506,642
14	VIRTEX OPERATING CO INC 615 UPPER NORTH BROADWAY STE 525, MT-168 CORPUS CHRISTI, TX 78477	ATTN: Basil Phipps Vice President PHONE - (361) 882-3046 FAX - (361) 882-2374 EMAIL - bphipp@virtexoperating.com	Trade Payable	Unliquidated			\$441,113
15	LAMAR OIL & GAS INC 4305 TX-35 BUS ROCKPORT, TX 78382	ATTN: David Pilgrim President PHONE - (361) 727-3300 FAX - (361) 727-3457 EMAIL -	Trade Payable	Unliquidated			\$384,012
16	LONESTAR RESOURCES US INC. (FKA EAGLEFORD GAS 7, LLC) 111 BOLAND STREET, SUITE 300 FORT WORTH, TX 76107	ATTN: Frank D. Bracken Chief Executive Officer PHONE - (817) 921-1889 FAX - (817) 806-5112 EMAIL - frankbracken3@yahoo.com	Trade Payable	Unliquidated			\$383,180
17	SOUTHERN ENERGY (FKA GULF PINE ENERGY OPERATING LLC) 333 - 7TH AVENUE SW STE 2400 CALGARY, AB T2P 2Z1 CANADA	ATTN: Calvin Yau Vice President, Finance and Chief Financial Officer PHONE - (587) 287-5400 FAX - (403) 452-9249 EMAIL - info@southernenergy.ca	Trade Payable	Unliquidated			\$359,279
18	REMORA OPERATING, LLC 1717 W. 6TH STREET AUSTIN, TX 78703	ATTN: Andy Houser Vice President of Operations and Engineering PHONE - (512) 579-3590 FAX - EMAIL - ahouser@remoraenergy.com	Trade Payable	Unliquidated			\$355,518

Debtor Southcross Energy Partners, L.P., et al.

Case Number (if known)

Name

## Exhibit A

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim	Indicate if claim is contingent, unliquidated, disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
19	VERDUN OIL & GAS, LLC 55 WAUGH DR HOUSTON, TX 77007	ATTN: Tim Nein President & CEO PHONE - (713) 337-9291 FAX - (713) 800-7444 EMAIL - tnein@verdunoilco.com	Trade Payable	Unliquidated			\$354,657
20	BALLARD NATURAL GAS LLC 1021 MAIN STREET, SUITE 1250 HOUSTON, TX 77002	ATTN: Tim Spurlin Vice President PHONE - (713) 658-0143 FAX - (713) 752-2297 EMAIL -	Trade Payable	Unliquidated			\$281,993

**Exhibit A****Fill in this information to identify the case and this filing:**Debtor Name Southcross Energy Partners GP, LLCUnited States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware  
(State)

Case number (If known): \_\_\_\_\_

**Official Form 202****Declaration Under Penalty of Perjury for Non-Individual Debtors****12/15**

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**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.**

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ Amended Schedule \_\_\_\_\_
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration Consolidated List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

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

Executed on 04/01/2019  
MM / DD / YYYY

**X**/s/ Michale B. Howe

Signature of individual signing on behalf of debtor

Michael B. Howe  
Printed name

Senior Vice President, Chief Financial Officer  
Position or relationship to debtor

**Exhibit A**

**EXECUTION**

**OMNIBUS ACTION BY WRITTEN CONSENT  
OF  
DIRECTORS, MEMBERS, MANAGING MEMBERS AND GENERAL PARTNERS,  
AS APPLICABLE,  
OF  
SOUTHCROSS ENERGY PARTNERS GP, LLC,  
SOUTHCROSS ENERGY FINANCE CORP.,  
SOUTHCROSS ENERGY PARTNERS, L.P.  
AND  
THE OTHER DEBTORS IDENTIFIED ON SCHEDULE 1 HERETO**

March 31, 2019

The undersigned, being all of the members of the board of directors of Southcross Energy Finance Corp., a Delaware corporation (“Finance Corp”), and all of the members of the board of directors and the managing member of Southcross Energy Partners GP, LLC, a Delaware limited liability company (the “General Partner”), the General Partner acting individually and in its capacity as the sole general partner of Southcross Energy Partners, L.P., a Delaware limited partnership (the “Partnership”), the Partnership acting individually and in its capacity as the sole member of Southcross Energy Operating, LLC, a Delaware limited liability company (“SEO”), SEO acting individually and in its capacity as the sole member of each of Southcross Energy LP LLC, a Delaware limited liability company (“Southcross Energy LP”), and Southcross Energy GP LLC, a Delaware limited liability company (“Southcross Energy GP”), Southcross Energy GP acting, as applicable, individually and as the sole general partner or sole member of each of the entities identified on Schedule 1 hereto of which it serves as the sole general partner or sole member as indicated on the signature pages hereto, and each such entity on Schedule 1 acting, as applicable, individually and in its capacity as the sole general partner or sole member of each other Debtor of which it is the sole general partner or sole member as indicated on the signature pages hereto (the entities identified on Schedule 1 collectively with Finance Corp, the General Partner, the Partnership, SEO, Southcross Energy LP and Southcross Energy GP, the “Debtors” and each, individually, a “Debtor”), hereby adopt the resolutions attached hereto as Exhibit A pursuant to Section 17-405(d) of the Delaware Revised Uniform Limited Partnership Act, Section 18-302(d) of the Delaware Limited Liability Company Act, Section 141(f) of the Delaware General Corporation Law and Section 6.201 of the Texas Business Organizations Code, as applicable, and the limited liability company agreement, limited partnership agreement, charter and bylaws, as applicable, of each of the Debtors, and do hereby agree that said resolutions shall have the same effect as if duly adopted at a meeting of the directors, members, managing members or general partners of each Debtor (each, a “Governing Body”),

## **Exhibit A**

as applicable, and direct that this written consent be filed with the minutes of the proceedings of each Governing Body.

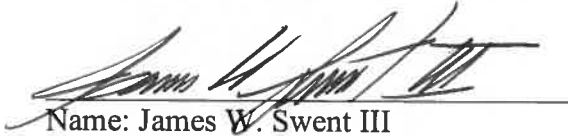
This consent may be executed in counterparts (including by means of PDF signature pages), each of which shall be deemed an original for all purposes, and all of which shall constitute one and the same instrument.

*[Signature pages follow]*

**Exhibit A**

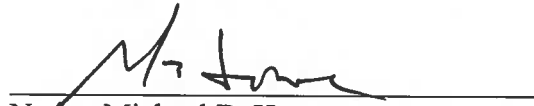
IN WITNESS WHEREOF, the undersigned have executed this Omnibus Action by  
Written Consent as of the date first set forth above.

SOUTHCROSS ENERGY FINANCE CORP.



Name: James W. Swent III

Title: Director




Name: Michael B. Howe

Title: Director



**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC



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Name: James W. Swent III

Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC



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Name: David W. Biegler

Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC

*A. A. Cameron*

---

Name: Andrew A. Cameron  
Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC

*Nicholas J Caruso*

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Name: Nicholas J. Caruso, Jr.  
Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC

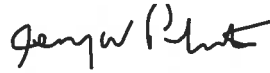


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Name: Jason H. Downie  
Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC

A handwritten signature in black ink, appearing to read "Jerry W. Pinkerton", written over a horizontal line.

Name: Jerry W. Pinkerton  
Title: Director

**Exhibit A**

SOUTHCROSS ENERGY PARTNERS GP, LLC

*Randall Wade*

---

Name: Randall S. Wade

Title: Director

The undersigned, being the Managing Partner (the “**Managing Partner**”) of Southcross Energy Partners GP, LLC (the “**MLP GP**”), pursuant to Section 7.1(d) of the Second Amended and Restated Limited Liability Company Agreement of Southcross Energy Partners GP, LLC, does hereby give consent to the MLP GP adopting, on behalf of itself and Southcross Energy Partners, L.P. (“**MLP**”), the resolutions attached hereto as Exhibit A, effective as of the date first written above, and taking action pursuant thereto to file voluntary chapter 11 petitions for MLP GP and MLP.

**SOUTHCROSS HOLDINGS LP:**

By: SOUTHCROSS HOLDINGS GP LLC,  
its general partner

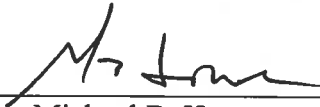
By:   
Name: Alan Boswell  
Title: President and Chief Executive Officer



**Exhibit A**

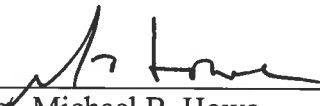
SOUTHCROSS ENERGY PARTNERS, L.P.,

By: SOUTHCROSS ENERGY PARTNERS GP,  
LLC, as General Partner

By:   
Name: Michael B. Howe  
Title: Authorized Person

SOUTHCROSS ENERGY OPERATING, LLC,

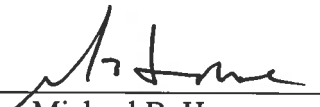
By: SOUTHCROSS ENERGY PARTNERS, L.P.,  
as Sole Member

By:   
Name: Michael B. Howe  
Title: Authorized Person

SOUTHCROSS ENERGY GP LLC

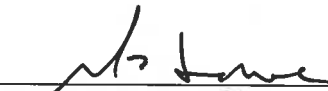
SOUTHCROSS ENERGY LP LLC

By: SOUTHCROSS ENERGY OPERATING,  
LLC, as Sole Member

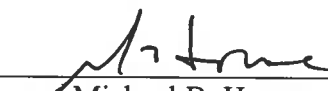
By:   
Name: Michael B. Howe  
Title: Authorized Person

**Exhibit A**

SOUTHCROSS GATHERING LTD.  
SOUTHCROSS CCNG GATHERING LTD  
SOUTHCROSS CCNG TRANSMISSION LTD.  
SOUTHCROSS GULF COAST TRANSMISSION LTD.  
SOUTHCROSS MARKETING COMPANY LTD.  
SOUTHCROSS NGL PIPELINE LTD.  
SOUTHCROSS MIDSTREAM SERVICES, L.P.  
SOUTHCROSS MISSISSIPPI INDUSTRIAL GAS SALES, L.P.  
SOUTHCROSS MISSISSIPPI PIPELINE, L.P.  
SOUTHCROSS MISSISSIPPI GATHERING, L.P.  
SOUTHCROSS ALABAMA PIPELINE LLC  
SOUTHCROSS NUECES PIPELINES LLC  
SOUTHCROSS PROCESSING LLC  
FL RICH GAS SERVICES GP, LLC,  
By: SOUTHCROSS ENERGY GP LLC,  
as Sole Member or General Partner, as applicable

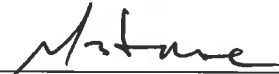
By:   
Name: Michael B. Howe  
Title: Authorized Person

SOUTHCROSS DELTA PIPELINE LLC  
By: SOUTHCROSS MISSISSIPPI GATHERING, L.P.,  
as Sole Member

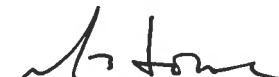
By:   
Name: Michael B. Howe  
Title: Authorized Person

**Exhibit A**

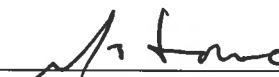
FL RICH GAS SERVICES, LP,  
By: FL RICH GAS SERVICES GP, LLC,  
as General Partner

By:   
Name: Michael B. Howe  
Title: Authorized Person


T2 EF COGENERATION HOLDINGS, LLC  
FL RICH GAS UTILITY GP, LLC  
By: FL RICH GAS SERVICES, LP,  
as Sole Member

By:   
Name: Michael B. Howe  
Title: Authorized Person

T2 EF COGENERATION LLC,  
By: T2 EF COGENERATION HOLDINGS, LLC,  
as Sole Member

By:   
Name: Michael B. Howe  
Title: Authorized Person

FL RICH GAS UTILITY, LP  
SOUTHCROSS TRANSMISSION, LP  
By: FL RICH GAS UTILITY GP, LLC,  
as General Partner

By:   
Name: Michael B. Howe  
Title: Authorized Person

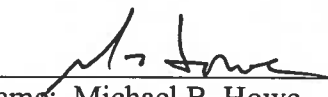
**Exhibit A**

**Acknowledged and Agreed to:**

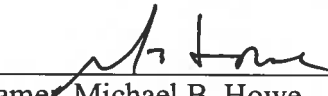
**IN WITNESS WHEREOF**, the undersigned, constituting the limited partners of the limited partnerships set forth below, do hereby consent to this Omnibus Action by Written Consent, including the adoption of the amendments to the limited partnership agreements of the limited partnerships as provided in Section 5 therein, as of the date first set forth above.

SOUTHCROSS GATHERING LTD.  
SOUTHCROSS CCNG GATHERING LTD  
SOUTHCROSS CCNG TRANSMISSION LTD.  
SOUTHCROSS GULF COAST TRANSMISSION LTD.  
SOUTHCROSS MARKETING COMPANY LTD.  
SOUTHCROSS NGL PIPELINE LTD.  
SOUTHCROSS MIDSTREAM SERVICES, L.P.  
SOUTHCROSS MISSISSIPPI INDUSTRIAL GAS  
SALES, L.P.  
SOUTHCROSS MISSISSIPPI PIPELINE, L.P.  
SOUTHCROSS MISSISSIPPI GATHERING, L.P.  
FL RICH GAS SERVICES, LP

By: SOUTHCROSS ENERGY LP LLC,  
as Limited Partner

By:   
Name: Michael B. Howe  
Title: Authorized Person

FL RICH GAS UTILITY, LP  
SOUTHCROSS TRANSMISSION, LP  
By: FL RICH GAS SERVICES, LP,  
as Limited Partner

By:   
Name: Michael B. Howe  
Title: Authorized Person

**Exhibit A****SCHEDULE 1**

## Additional Debtors

<b>ENTITY</b>	<b>JURISDICTION OF FORMATION</b>
Southcross Alabama Pipeline LLC	Delaware
Southcross Processing LLC	Delaware
Southcross Nueces Pipelines LLC	Delaware
Southcross Midstream Services, L.P.	Delaware
Southcross Mississippi Pipeline, L.P.	Delaware
Southcross Mississippi Industrial Gas Sales, L.P.	Delaware
Southcross Mississippi Gathering, L.P.	Delaware
Southcross Delta Pipeline LLC	Delaware
T2 EF Cogeneration Holdings, LLC	Delaware
Southcross Marketing Company Ltd.	Texas
Southcross Gathering Ltd.	Texas
Southcross CCNG Transmission Ltd.	Texas
Southcross Gulf Coast Transmission Ltd.	Texas
Southcross CCNG Gathering Ltd.	Texas
Southcross NGL Pipeline Ltd.	Texas
FL Rich Gas Services GP, LLC	Texas
FL Rich Gas Services, LP	Texas
FL Rich Gas Utility GP, LLC	Texas
FL Rich Gas Utility, LP	Texas
Southcross Transmission, LP	Texas
T2 EF Cogeneration LLC	Texas

**Exhibit A**

**EXHIBIT A**

Resolutions

## Exhibit A

### 1. VOLUNTARY PETITION FOR RELIEF UNDER THE BANKRUPTCY CODE.

WHEREAS, the undersigned, being the Governing Body of each Debtor, each Debtor acting individually and on behalf of any other Debtor for which it serves as a member, managing member or general partner, as applicable, have reviewed and considered certain materials presented by the management of the Debtors and the Debtors' financial and legal advisors; including, but not limited to, materials regarding the liabilities and obligations of each Debtor, its liquidity, strategic alternatives available to it, and the effect of the foregoing on such Debtor's business, and have had adequate opportunity to consult such persons regarding the materials presented, obtain additional information, and to fully consider each of the strategic alternatives available to such Debtor;

RESOLVED, that in the judgment of the Governing Body of each Debtor it is desirable and in the best interest of such Debtor, its interest holders, its creditors, and other parties in interest, that such Debtor file or cause to be filed voluntary petitions for relief (a "Bankruptcy Petition" and collectively, the "Bankruptcy Petitions") under the provisions of chapter 11 of title 11 of the United States Code, 11 U.S.C. §101 et seq. (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"); and, in accordance with the requirements in such Debtor's governing documents and applicable law, hereby consent to, authorize and approve, the filing of the Bankruptcy Petitions on behalf of such Debtor, each Debtor acting individually and on behalf of any other Debtor for which it serves as a member, managing member or general partner; and

RESOLVED FURTHER, that the officers of the General Partner, and each of them individually, and any persons to whom any such officer delegates certain responsibilities (collectively, and each acting alone or with one or more other persons, the "Authorized Persons"), be, and hereby is, authorized to (i) execute and file on behalf of each Debtor, directly as an Authorized Person of such Debtor and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, all petitions, schedules, lists, and other motions, papers, or documents, (ii) to take any and all action that they deem necessary or proper to obtain such relief, including, but not limited to, any action necessary to maintain the ordinary course operations of the Debtors' businesses, (iii) appear as necessary at all bankruptcy proceedings in the Bankruptcy Court on behalf of each applicable Debtor, and (iv) pay all such expenses where necessary or appropriate in order to carry out fully the intent and accomplish the purposes of the resolutions adopted herein.

### 2. RETENTION OF PROFESSIONALS.

RESOLVED, that the Authorized Persons be, and hereby are, authorized, empowered and directed to employ, subject to Bankruptcy Court approval: (i) the law firm of Davis Polk & Wardwell LLP as general bankruptcy counsel, (ii) the law firm of Morris, Nichols, Arsht & Tunnell as Delaware bankruptcy counsel and conflicts counsel, (iii) Alvarez & Marsal as financial advisor, (iv) Evercore Group L.L.C. as investment banker, (v) Kurtzman Carson Consultants LLC as notice and claims agent, and (vi) any other legal counsel, accountants, financial advisors, restructuring advisors or other professionals the Authorized Persons deem necessary, appropriate or advisable; each to represent and assist the Debtors in carrying out their respective duties and responsibilities and exercising their respective rights under the Bankruptcy Code (including, but not limited to, the law firms filing any pleadings or responses); and in connection therewith, the Authorized Persons be, and hereby are authorized, empowered and directed, in accordance with the terms and conditions hereof, to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain such services; and

RESOLVED FURTHER, that the Authorized Persons, be, and hereby are, authorized, empowered and directed to execute and file all petitions, schedules, motions, lists, applications, pleadings,

## Exhibit A

and other papers, and to perform such further actions and execute such further documentation that the Authorized Persons deem necessary, appropriate or desirable in accordance with these resolutions.

### 3. DEBTOR-IN-POSSESSION FINANCING.

WHEREAS, the Governing Body of each Debtor has reviewed and considered the materials presented by the Debtors' management team and the financial and legal advisors of the Debtors, including the presentations regarding the liabilities and liquidity of the Debtors, the strategic alternatives available to it and the impact of the foregoing on the Debtors' business; and

WHEREAS, in the judgment of the Governing Body of each Debtor, it is desirable and in the best interest of each Debtor, its interest holders, its creditors, and other parties in interest, to obtain the benefits from the incurrence of obligations contemplated by (i) that certain \$255,000,000 Senior Secured Superpriority Priming Debtor-in-Possession Financing Commitment Letter dated as of March 31, 2019, from certain prepetition lenders to the Partnership (the "Commitment Letter") and (ii) that certain Superpriority Secured Debtor-in-Possession Credit Agreement (a "DIP Credit Agreement") by and among Southcross Energy Partners, L.P. (the "Borrower"), the lenders party thereto (the "DIP Lenders"), and Wilmington Trust, National Association, as administrative agent (the "Agent"), to be attached to the Commitment Letter on substantially the terms set forth in that certain term sheet presented to the Governing Body of each Debtor, in each case with such other changes as the Authorized Persons may agree, and consummation of the transactions contemplated thereby, which, in each respective Governing Body's judgment, are necessary and appropriate to the business of all Debtors, which DIP Credit Agreement may be secured by any or all assets of each Debtor pursuant to one or more security agreements, mortgages, deeds of trust, pledges or similar documents ("Security Documents"), and to seek approval of same from the Bankruptcy Court.

RESOLVED, that the Governing Body of each Debtor hereby approves the negotiation, execution, delivery and performance of the Commitment Letter, a DIP Credit Agreement and Security Documents, having such forms, terms and provisions, including any grant of security interests, grant of adequate protection and liens to the Debtors' Secured Lenders, borrowings and guaranties of indebtedness thereunder, as shall be determined to be necessary or appropriate by any Authorized Person executing the same on behalf of any Debtor, directly as an Authorized Person of such Debtor and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, the execution thereof by any such Authorized Person to be conclusive evidence of such determination;

RESOLVED FURTHER, that each Authorized Person is hereby authorized and directed to take such actions and negotiate or cause to be prepared and negotiated and to execute, deliver, perform and cause the performance of such other agreements, certificates, instruments, receipts, petitions, motions, commitment letters, fee letters or other papers or documents in connection with the Commitment Letter a DIP Credit Agreement (including, but not limited to the execution, delivery and performance of any amendment to any credit facility predating the Bankruptcy Petitions) (collectively with the Commitment Letter, a DIP Credit Agreement and Security Documents, the "Financing Documents"), in such form as shall be approved by any Authorized Person, acting directly as an Authorized Person on behalf of each Debtor and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, such approval to be conclusively evidenced by such Authorized Person's execution and delivery thereof;

RESOLVED FURTHER, that the Debtors, as debtors and debtors-in-possession under the Bankruptcy Code be, and hereby are, authorized to incur any and all obligations, fees and costs and to undertake any and all related transactions contemplated under the Financing Documents (collectively, the "Financing Transactions"), including granting liens, including first-priority priming liens, on its assets to



**Exhibit A**

secure any and all obligations thereunder;

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed, and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, as debtors and debtors-in-possession, to take such actions as in their discretion are determined to be necessary, desirable, or appropriate to execute, deliver, and file (i) the Financing Documents and such agreements, certificates, instruments, guaranties, notices, and any and all other documents, including, without limitation, any amendments, supplements, modifications, renewals, replacements, consolidations, substitutions, and extensions of any Financing Documents, necessary, desirable, or appropriate to facilitate the Financing Transactions; (ii) all petitions, schedules, lists, and other motions, papers, or documents, which shall in his/her judgment be necessary, proper, or advisable, which determination shall be conclusively evidenced by his or their execution thereof; (iii) such other instruments, certificates, notices, assignments, and documents as may be requested by the DIP Lenders or the Agent; and (iv) such forms of officer's certificates and compliance certificates (if any) as may be required by the Financing Documents;

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed, and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to file or to authorize the DIP Lenders (or any Agent) to file or record, any mortgages, deeds of trust, Uniform Commercial Code ("UCC") financing statements, intellectual property filings, assignments for security, or other documents in the name of the Debtors that the DIP Lenders (or any Agent) deem necessary or convenient to create or perfect any lien or security interest granted under the Financing Documents, including any such UCC financing statement containing a generic description of collateral, such as "all assets," "all property now or hereafter acquired," and other similar descriptions of like import, and to execute and deliver, and to record or authorize the recording of, such mortgages and deeds of trust in respect of real property of the Debtors and such other filings in respect of intellectual and other property of the Debtors, in each case as the DIP Lenders (or any Agent) may reasonably request to perfect the security interests of the DIP Lenders (or of the Agent) under the Financing Documents;

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to take all such further actions, including, but not limited to, paying or approving the payment of all fees and expenses payable in connection with the Financing Transactions and all fees and expenses incurred by or on behalf of the Debtors in connection with the foregoing resolutions, in accordance with the terms of the Financing Documents, which shall in his/her judgment be necessary, proper, or advisable to perform the Debtors' obligations under or in connection with the Financing Documents or any of the Financing Transactions and to fully carry out the intent of the foregoing resolutions; and

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed, and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of such Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to execute and deliver any amendments, supplements, modifications, renewals, replacements, consolidations, substitutions, and extensions of any of the Financing Documents or to do such other things which shall in his/her judgment be necessary, desirable, proper, or advisable to give effect to the foregoing resolutions, which determination shall be conclusively evidenced by his or their execution thereof.

**Exhibit A****4. POTENTIAL SALE TRANSACTIONS.**

RESOLVED, that the Authorized Persons be, and hereby are, authorized, directed and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to file a motion with the Bankruptcy Court [(i) seeking approval of bidding procedures to facilitate a potential sale of all, substantially all, or a material portion of the Debtors' assets pursuant to section 363 of the Bankruptcy Code (the "Potential Sale Transactions"), (ii) seeking approval of [•] as a stalking horse purchaser (the "Stalking Horse Purchaser") for a Potential Sale Transaction, and (iii) seeking approval of the payment of certain fees (including expense reimbursement and breakup fees) to the Stalking Horse Purchaser, all] substantially in accordance with the summary presented to the Governing Bodies, subject to such modifications thereto as the Authorized Persons deem necessary or advisable in order to give effect to and carry out the general purposes of the Potential Sale Transactions as presented to the Governing Bodies; and

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to conduct a further marketing process to identify Potential Sale Transactions with the assistance of the Debtors' investment banker and other professional advisors and under the supervision of the Bankruptcy Court; and

RESOLVED FURTHER, that the Authorized Persons be, and hereby are, authorized, directed and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to (i) take actions and negotiate and, subject to Bankruptcy Court approval as required, to execute, deliver, perform and cause the performance of any agreements (including asset purchase agreements), certificates, instruments, receipts, petitions, motions or other papers or documents in furtherance of, and necessary to effectuate, any Potential Sale Transactions to which the Debtors are or may become party and (ii) request the Bankruptcy Court to approve any Potential Sale Transaction (including a sale of the Debtors' assets to the highest or best bidder) and for any related relief.

**5. AMENDMENT TO GOVERNING DOCUMENTS**

RESOLVED, that to the extent that any actions authorized by the foregoing resolutions would result in any Debtor that serves as a member of any other Debtor that is a limited liability company to cease to be a member of such other Debtor under applicable law, the limited liability company agreement of such other Debtor is hereby amended to provide that the filing of a voluntary petition in bankruptcy and the other actions authorized under these resolutions shall not cause such member to cease to be a member of such other Debtor, and in any such event, such other Debtor shall continue without dissolution; and

RESOLVED FURTHER, that to the extent that any actions authorized by the foregoing resolutions would result in any Debtor that serves as a general partner of any other Debtor that is a limited partnership to cease to be a general partner of such other Debtor under applicable law, the limited partnership agreement of such other Debtor is hereby amended to provide that the filing of a voluntary petition in bankruptcy and the other actions authorized under these resolutions shall not cause such general partner to cease to be a general partner of such other Debtor, and in any such event, such other Debtor shall continue without dissolution; and each Debtor that is a limited partner of another Debtor hereby consents to the foregoing amendment.

**Exhibit A**

**6. GENERAL AUTHORIZING RESOLUTIONS; FURTHER ACTIONS AND PRIOR ACTIONS.**

RESOLVED, that the Authorized Persons be, and hereby are, authorized, directed and empowered in the name of, and on behalf of, the Debtors, directly as Authorized Persons of the Debtors and/or on behalf of any Debtor acting as a member, managing member or general partner of any other Debtor, to take or cause to be taken any and all such further action, and to execute, acknowledge, deliver, and file any and all such instruments and documents, and to pay such fees and expenses, as each, in his/her judgment, deem necessary, appropriate or advisable in order to carry out the purpose and intent of the foregoing resolutions;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolutions, each Authorized Person, acting alone or with one or more other Authorized Persons, be, and hereby is, authorized to take any and all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions directly on behalf of each Debtor, as an authorized person, and, further, to the extent any Debtor serves as a member, manager, general partner or other governing body (each, a “Controlling Company”) of any other Debtor (each, a “Controlled Company”), each Authorized Person, acting alone or with one or more other Authorized Persons, be, and hereby is, also authorized, empowered and directed in the name and on behalf of each Controlling Company, to cause such Controlling Company to authorize and direct each applicable Controlled Company to take any and all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions (including the execution and delivery of these resolutions, as applicable);

RESOLVED FURTHER, that all acts and actions relating to the matters contemplated by the foregoing resolutions done in the name of and on behalf of the Debtors, which acts or actions would have been approved by the foregoing resolutions if such acts or actions had taken place after the execution of these resolutions, be, and hereby are, confirmed, approved and ratified as the acts or actions of the Debtors.

\* \* \* \*

**EXHIBIT 2**

**RACHEL S. VELA**  
**DISTRICT CLERK**



Elizabeth Hinojosa  
Administrative Assistant  
Ruby Espinosa  
Chief Deputy

**DUVAL COUNTY**  
P. O. DRAWER 428  
SAN DIEGO, TEXAS 78384  
(361) 279-6239, 279-6241, 279-6268, 279-6284

Zandra Rivera  
Maricella Garcia  
Deputy Clerks

March 1, 2019

Mr. David L. Rumley  
Attorney at Law  
123 North Carrizo Street  
Corpus Christi, Texas 78401  
E-Service

Mr. Baldemar Gutierrez  
Attorney at Law  
700 E. Third St.  
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E-Service

Mr. Mark A. Gonzalez  
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E-Service

Ms. Jessica Z. Barger  
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One Riverway, Suite 2200  
Houston, Texas 77056  
E-Service

Mr. David L. Rumley  
March 1, 2019  
Page 2

Mr. Patrick Wolter  
Attorney at Law  
555 N. Carancahua Suite 400  
Corpus Christi, Texas 78401

E-Service

IN RE: Cause No. DC-18-82  
Ivy Gonzalez on Behalf of  
M.R. Gonzalez and M.N. Gonzalez,  
Minor Children  
VS.  
Southcross Independent  
Administrator of the Estate of Dennis  
Henneke, Galbraith Contracting, Inc.,  
And Severo Sepulveda, Jr.  
229th Judicial District Court  
Duval County, Texas

**NOTICE OF RE-SETTING**

Judge Presiding: Baldemar Garza

Phone Number: 956-487-2636

Fax Number: 956-487-4093

ATTN:

Please be advised that the above styled and numbered cause the court on its own has **changed** the current Trial setting of **May 20, 2019 TO May 28, 2019** at **8:30 a.m.** The final pre-trial of **April 30, 2019** at **8:30 a.m.** will remain.

You must first consult with adverse counsel before requesting a continuance from the court. Your motion or motions for continuance are to be in full compliance with the Texas Rules of Civil Procedure.



RACHEL S. VELA,  
DISTRICT CLERK

By: Zandra I. Rivera,  
Deputy Clerk

**EXHIBIT 3**

COURT REPORTER'S RECORD

VOLUME 1 OF 1 VOLUMES

TRIAL COURT CAUSE NO. DC-18-82 AND DC-18-83

IVY GONZALEZ ON BEHALF OF M. ) IN THE DISTRICT COURT  
R. GONZALEZ AND M.N. GONZALEZ )  
MINOR CHILDREN, ET AL )  
v. ) DUVAL COUNTY, TEXAS  
SOUTHCROSS CCNG TRANSMISSION, )  
GALBRAITH CONTRACTING, INC., )  
SEVERO SEPULVEDA JR., ET AL ) 229TH JUDICIAL DISTRICT

---

Defendant Southcross CCNG Transmission Traditional Motion  
for Summary Judgment on Res Judicata; Defendant the Estate  
of Henneke's Traditional Motion for Summary Judgment on Res  
Judicata and Collateral Estoppel; Galbraith Contracting  
Inc., and Severo Sepulveda's Motion for Reconsideration;  
Defendant's Cross-plaintiff on the Motion for Summary  
Judgment on Defense and Indemnity; Dennis Henneke's Motion  
for Summary Judgment Requesting Defense and Indemnity on  
Master Services Agreement

---

On the 20th day of February, 2019, the following  
proceedings came to be heard in the above-entitled and  
numbered cause, in the courtroom of the 229th Judicial  
District Court, at the Duval County Courthouse in San Diego,  
Texas, before the Honorable Baldemar Garza, Judge of the  
229th Judicial District of Texas.

These proceedings were reported by computerized  
stenotype machine by Mr. Ramiro Hernandez, Official Court  
Reporter for the 229th Judicial District. Court reporter's  
record produced by computer with software-assisted  
translation of shorthand symbols to English.



APPEARANCES:

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Mr. David Rumley  
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Fax: 361-885-0487  
E-mail: drumley@wigrum.com  
Counsel for Plaintiff

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Telephone: 210-487-7500  
Fax: 210-487-7501  
E-mail: cmoore@wigrum.com  
Counsel for Plaintiff Children

Beck Redden L.L.P., Trial and Appellate Attorneys  
Mr. Chad Flores, Board Certified-Civil Appellate Law  
Texas Board of Legal Specialization  
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E-mail: cflores@beckredden.com  
Counsel for Plaintiffs

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Associate  
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Telephone: 713-951-6285  
Fax: 713-951-3720  
E-mail: dhammond@beckredden.com  
Counsel for Plaintiffs

APPEARANCES RESUMED:

Liles, Harris & White  
Mr. Bryan K. Harris  
Mr. Kevin Liles  
Mr. Rob George  
Attorneys at Law  
500 North Water Street  
Suite 800

Corpus Christi, Texas 78401  
Telephone: 877-826-5236  
Fax: 361-826-0101  
Counsel for Gonzalez Parents

The Gutierrez Law Firm, Inc.  
Ms. Kayla Gutierrez  
Attorneys at Law  
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1 THE COURT: Alright well let me go ahead and  
2 call DC-18-82 Ivy Gonzalez et al versus Southcross CCN  
3 Transmission. In my docket I have couple of summary  
4 judgments. Are there any announcements before we start on  
5 any of these things.

6 MR. SARNE: Andrew Sarne --

7 THE COURT: Let me do this. First I guess  
8 one-by-one go ahead, starting with the plaintiffs, introduce  
9 yourself for the record and then the other thing that we are  
10 going to need is every time you speak make sure to say who  
11 you are so the court reporter knows who is speaking. Let's  
12 start with the Plaintiff.

13 MR. RUMLEY: Good morning, Your Honor, David  
14 Rumley, Collin Moore on behalf of Ivy Gonzalez and her  
15 children along with our appellate counsel.

16 MR. FLORES: Chad Flores and Dan Hammond  
17 representing all of the plaintiffs also.

18 MR. HARRIS: Bryan Harris, Rob George and  
19 Kevin Lyles for the Gonzalez parents.

20 MR. RUMLEY: Your Honor, I forgot, I forgot  
21 Kayla.

22 MS. GUTIERREZ: Kayla Gutierrez on behalf of  
23 Ivy Gonzalez.

24 MR. STRANDMO: Mark Strandmo for Southcross,  
25 Your Honor.

1 MR. WRIGHT: Also for Southcross, Your Honor,  
2 Tom Wright and Jessica Barger, I have got the cards.

3 MR. WOLTER: Pat Wolter, just made an  
4 appearance for Southcross and I have got my card there.

5 MR. SARNE: Andrew Sarne and Logan Burke for  
6 the Estate of Dennis Henneky.

7 MR. PRINGLE: Your Honor, I am Ross Pringle  
8 and I represent Galbraith Contracting and Severo Sepulveda.

9 THE COURT: Is that all? (pause) Okay. Uh,  
10 this is what I have in my docket just to make sure we have  
11 got it. We have Defendant Southcross CCNG Transmition  
12 Traditional Motion for Summary Judgment on Res Judicata, and  
13 then we have got Defendant the Estate of Henneke's  
14 Traditional Motion for Summary Judgment on Res judicata and  
15 Collateral Estoppel.

16 MR. SARNE: That's no longer. Andrew Sarne.

17 THE COURT: And I read it.

18 MR. SARNE: They were nonsuited so we are  
19 asking for the nonsuit to be signed today.

20 THE COURT: Okay. That takes care of that. I  
21 will go ahead and sign the nonsuit. First order of nonsuit  
22 was filed by -- okay -- Amy Gonzalez.

23 MR. RUMLEY: Amy Gonzalez is the parent of  
24 Jesus so there should be two nonsuits: one for the parents  
25 of the deceased and one for Ivy Gonzalez and her children.

1 THE COURT: I am signing both of them. Very  
2 well. Now, so that's out. And then we have Galbraith  
3 Contracting Inc., and Severo Sepulveda's Motion for  
4 Reconsideration.

5 MR. PRINGLE: That's mine, Judge, Ross  
6 Pringle.

7 THE COURT: And we got Defendant's  
8 Cross-plaintiff on the Motion for Summary Judgment on  
9 Defense and Indemnity.

10 MR. SARNE: That's right, Your Honor.

11 THE COURT: Where do we start?

12 MR. WRIGHT: Start at the top with Southcross  
13 motions, Your Honor.

14 THE COURT: Okay. Let me say this before we  
15 start on that. Obviously I don't know a lot about the case.  
16 I have read the motions and the response and we are not  
17 going to be here all morning doing this.

18 MR. WRIGHT: No.

19 THE COURT: Alright. I read it. So if it's  
20 your motion you are going to open, really hit the point if  
21 you really want me to listen to, we are going to get a  
22 response, and then you are going to close and that's it.  
23 Okay?

24 It appears -- tell me if I am wrong -- that I  
25 guess in the motion the plaintiffs concede the first point

1 that the issue appears to be, uh, that whether it's the same  
2 parties or not the same parties.

3 MR. WRIGHT: Exactly, Your Honor.

4 THE COURT: Am I correct?

5 MR. WRIGHT: Yes.

6 THE COURT: Alright. Having said that go  
7 ahead.

8 MR. WRIGHT: Thank you, Your Honor, Tom Wright  
9 for, uh, Southcross along with my partner Jessica Barger.  
10 Uh, I am very understanding and respectful of Your Honor's  
11 statements. You've read this, you obviously know this case  
12 was tried last year, uh, the case of two verdicts that's  
13 been reported around the State. A couple of tries for new  
14 trial for various reasons. That case is now on appeal to  
15 San Antonio Court of Appeals. The plaintiffs gotta  
16 substantial verdict. It was largely offset by a settlement  
17 they got from Furmanite and so perhaps they were unhappy  
18 with it but nevertheless they gotta sizeable verdict, uh,  
19 that's being appealed.

20 Now, the plaintiffs, of course, are the same  
21 in all the cases but that's not the issue; the issue is  
22 whether the defendants are the same.

23 Now, a lot of these cases talk about whether  
24 it's fair to stick a defendant with a bad result because  
25 another defendant gotta bad result in the first case.



1 That's not where we are. We are in the a situation where  
2 the plaintiff sued us and they are dissatisfied with the  
3 judgment they got against the parent corporation, if you  
4 will, the parent of anybody who is involved here which is  
5 Southcross Energy. So the plaintiffs in the first case sued  
6 five Southcross entities. By the time it went to verdict  
7 they had narrowed it down to the top one, which is Energy.  
8 Among the five that they sued was the CCNG entity that they  
9 now sued again. They had CCNG in until CCNG moved for a  
10 summary judgment and Chapter 95. Rather than reply to the  
11 summary judgment they took a nonsuit. Uh, the relationship  
12 between these two companies is, as Your Honor has noted, is  
13 (undiscernible) so let me just run through a few of those  
14 things.

15 Uh, the company that had the judgment against  
16 it, Energy, owns CCNG Transport. That is proved by this  
17 affidavit, they have challenged the affidavit, but the  
18 fellow says I am the senior vice-president of this company  
19 and by that virtue of that I know the relationship. Energy  
20 owns CCNG period. And he verifies everything that's in our  
21 motion, by the way, in his affidavit. So he didn't go on  
22 and on but he explained how he knew it and explained what  
23 the relationship was. Or is. That means that a judgment  
24 against CCNG in this case is going to affect the parent just  
25 by virtue of the relationship. Uh, and that's one of the

1 factors that the Court's considered, do you have the same  
2 legal interest.

3 It also means, since we have proved that, uh,  
4 CCNG has no employees and that's attached to our summary  
5 judgment motion, it's Energy that is controlling this  
6 litigation. They have hired the same lawyers:  
7 Mr. Strandmo, us. They have hired or they appointed the  
8 same corporate rep., and you might say well, you know, they  
9 just appointed the same one they did last time. No. Last  
10 time the same guy represented was a corporate rep., it's the  
11 same fellow that signed the affidavit, uh, represented all  
12 these defendants as the corporate rep.

13 Interestingly enough, now the plaintiffs are  
14 claiming that both these companies, Energy and CCNG are  
15 liable because they are the employer or a barred employer or  
16 deemed employer of Henneke. Henneke, the fellow who worked  
17 for, uh, Southcross, died as a result of this explosion.  
18 But anyway, the reason that the plaintiffs are claiming both  
19 of these entities are responsible flows through the same  
20 man.

21 In fact in the plaintiffs' cross-claims in the  
22 original suit before they, uh, you know nonsuited everybody,  
23 they listed all these Southcross entities and they define  
24 them all as Southcross. And then when the allegations come  
25 about what anybody did they said well Furmanite did this and

1 Galbraith did that or whoever and Southcross lumped them all  
2 together did X, Y and Z.

3 So, you know, there are, uh, a lot of cases  
4 talking about well this person wasn't exactly related  
5 because of that, you know, uh, the adult children filed this  
6 wrongful death claim but that didn't bind a minor, that  
7 wasn't part of that. We understand all that. I've never  
8 seen a case where it's more clear that this is an attempt to  
9 redo for the second or third time a case that's already gone  
10 to judgment.

11 Our key case is Amstat, uh, you know, there  
12 the question was whether the plaintiffs, uh, were so related  
13 that they should be barred and the plaintiffs are subsequent  
14 owners of the same property where the previous owners had  
15 sued and recovered against the defendants but they talk  
16 about the purpose of Res Judicata and the rule against claim  
17 splitting is so that a defendant will not be twice vexed.  
18 While Southcross is being twice vexed. We are being twice  
19 sued for the same thing but the same people, the same  
20 incident, and that in and of itself should tell you that Res  
21 Judicata bars this.

22 This Reliance Capital case which we cited and  
23 gave to the Court, there there's even less connection than  
24 there is here. There were common shareholders between the  
25 companies and this and that, but there wasn't a complete

1 ownership of one entity by the other. But we do have many  
2 of the same factors, same corporate rep. That's the case  
3 that says the corporate rep., is important, the same lawyers  
4 are important, and in that case the Court held that Res  
5 Judicata applies.

6 I will sum up by saying apparently the  
7 plaintiffs' position is they could have sued these five  
8 Southcross entities that they originally sued or, you know,  
9 ten more there's plenty of them out there, one at a time and  
10 gone to trial one at a time and as long as limitations  
11 hadn't expired or some other problem, they could keep going  
12 until they gotta good result and then keep that. And that  
13 can't possibly be the law.

14 So we ask that , uh, you know, Your Honor,  
15 sign this, uh, summary judgment on, uh, Res Judicata.

16 THE COURT: Okay.

17 MR. FLORES: For the plaintiffs I'm Chad  
18 Flores. The reason to deny the motion is because Res  
19 Judicata, the Judicata is about a judgment, and the judgment  
20 in the first case has to go to do with CCNG. The only party  
21 in the judgment is the other Southcross entity that was  
22 nonsuited. What they want you to hold is that the nonsuit  
23 doesn't matter. It is as though CCNG stayed in the case,  
24 litigated at the trial, was on the jury charge, and somehow  
25 gotta take nothing judgment. But of course they didn't.

1 There is no adjudication of their rights. That's the  
2 fundamental flaw.

3 Procedurally we think you should address their  
4 motion first and then look at the reply because the  
5 arguments are different. The motion makes a very  
6 fundamental argument that's easy to reject. They say they  
7 establish Res Judicata because the parties are similar.  
8 That's the wrong test, we have shown the authorities for  
9 that. And if you think that's the test, this is the proof,  
10 the chart from their affidavit. They say this entity up  
11 here owns the one that's five steps down here. Even their  
12 own evidence creates a fact issue if you believe their test.  
13 That's the only thing you need to decide because the motions  
14 grounds or the only grounds that matters.

15 Let's go to the reply, they make a different  
16 argument there. I think they realize they can't get there  
17 with the original argument and they try to contrive privity  
18 by saying that if you have the same corporate representative  
19 and attorney and maybe some of the same facts, that that  
20 suffices. But that's not the test. It's about what's in  
21 the judgment. None of the things they tell you are on that  
22 piece of paper and that's what matters most.

23 The last thing you have is some straggling  
24 arguments about one satisfaction and the equities. None of  
25 that is relevant to Res Judicata. If they wanted to

1 adjudicate this, CCNG could have sought declaratory  
2 judgment, or some other kind of resolution of the case.  
3 There is no judgment against them, case closed, it's an easy  
4 motion to deny.

5 THE COURT: So you think -- so then it turns  
6 on the fact that there's no judgment.

7 MR. FLORES: That's right, Your Honor, and we  
8 will --

9 THE COURT: And privity doesn't matter or  
10 anything like.

11 MR. FLORES: Private could be established but  
12 we gave you the Sturgil authority which tells you that the  
13 relation that would matter is if you have a class action and  
14 the class representative or an estate and the representative  
15 of the estate. Right? That's not what you have here.

16 MR. WRIGHT: Your Honor, uh, briefly: To his  
17 last point he's talking about only one way to establish  
18 privity and that's by representation. The case we cited to  
19 you was the Amstat involved people who bought property one  
20 after the other. Here this is a subsidiary. We don't need  
21 the chart. The fellow says in his affidavit Energy owns  
22 CCNG and they have not given you any contrary evidence  
23 because there is none. He says oh if we wanted CCNG  
24 adjudicated, we would have filed a declaratory judgment  
25 action. Maybe we could have third-partied our own affiliate

1 in or named them as a responsible third-party. How  
2 ridiculous is that? Everybody -- some people just got  
3 nonsuited today. Maybe they need to file a declaratory  
4 judgment action in the case to say that they are not liable  
5 when they have been nonsuited. That's not how our system  
6 works. People are supposed to bring all the claims they  
7 have in one suit and when there is a judgment, and -- and  
8 there is a judgment in the other case -- it's just a  
9 question of who it applies to. Uh, and, uh, so we believe  
10 we have established privity through the, uh, subsidiary  
11 nature of CCNG, the fact that CCNG has no employees, the  
12 fact that the parent, uh, is in control of the case by  
13 virtue of the fact that it's the same corporate rep. The  
14 corporate rep., that signed the affidavit is an officer of  
15 the parent corporation and he's the one that gives the  
16 testimony but that demonstrates who it is that's controlling  
17 this litigation. We have the same interest. If they get a  
18 judgment against CCNG who did they think was going to pay?  
19 I mean we didn't put in the evidence but they know that it's  
20 the same insurance company, it's the same everything. But,  
21 you know, so, uh, for those reasons -- and they say, you  
22 know, that now it's us that says the nonsuit doesn't matter.  
23 They are the ones that say it doesn't matter. It matters  
24 because of this: It's not like we hid the existence of some  
25 other entity that might have been responsible that they

1 didn't know about and couldn't have found out about. The  
2 best proof of that is that they sued them then let them go.  
3 So there's some cases that talk about the equities of, well,  
4 you know, somebody may not have been able to find out this  
5 other defendant was out there and so forth. We don't have  
6 that here. It's a clear case of they knew who the entities  
7 were, they chose this one, this one is related to the other  
8 ones, and it would be a waste of this Court's time to let  
9 them have a second bite at the apple, and it's not right,  
10 and we ask for summary judgment on that basis.

11 THE COURT: Okay. I saw somebody, uh, make,  
12 uh, or talk about a permissive appeal. Is that a possible  
13 resolution here?

14 MR. WRIGHT: If Your Honor believes -- and we  
15 do think that this would obviously be an issue if you deny  
16 it. You know, the way permissive appeal has to work you  
17 would have to deny it on the basis of Res Judicata and grant  
18 us the right to permissive appeal, then we have to go ask  
19 the Court of Appeals if they want it and they have the right  
20 to say "Yes" or "No." Of course if you dismiss it they can  
21 have a regular appeal and the Court of Appeals has to take  
22 it. So, you know, that would be, uh -- I do think it would  
23 be nice to hear from the Court of Appeals before you invest  
24 your time in a trying a case that's already been tried.

25 MR. FLORES: Your Honor, as a procedural



1 matter it would be more efficient to not take a permissive  
2 appeal. There are going to be more opportunities for them  
3 to make their real argument here about substantive double  
4 recoveries and things like that. They can argue that with  
5 the jury charge in judgment formation and that's the  
6 standard and efficient way to deal with it.

7 THE COURT: Okay. Are you an appellate  
8 lawyer?

9 MR. FLORES: Yes, Your Honor.

10 MR. WRIGHT: Efficient for whom? That's the  
11 question.

12 THE COURT: Yes, okay.

13 MR. WRIGHT: Thank you, Your Honor.

14 THE COURT: Alright. Uh, I guess the next one  
15 was, uh -- what is, it Henneke's motion on Res Judicata and  
16 Collateral Estoppel.

17 MR. RUMLEY: That was passed.

18 THE COURT: Okay.

19 MR. RUMLEY: Henneke has one against  
20 Galbraith.

21 MR. PRINGLE: I have a motion -- I'm sorry to  
22 interrupt -- but I have a motion to reconsider.

23 THE COURT: Right.

24 MR. PRINGLE: Galbraith's Motion for Summary  
25 Judgment on also on Res Judicata Collateral Estoppel.

1 THE COURT: You did and Judge Garcia denied  
2 it. Correct?

3 MR. PRINGLE: Correct. Since you were going  
4 to be the trial judge I wanted you to take a look at it to  
5 make sure that you were going to let this case go forward  
6 again with the second bite on the apple on a case that's  
7 been fully tried and compensated.

8 THE COURT: Okay. Well again anything else?  
9 Who is on the other side of you?

10 MR. RUMLEY: The same.

11 MR. HAMMOND: Dan Hammond for --

12 MR. FLORES: Another appellate lawyer if it's  
13 needed, more.

14 MR. PRINGLE: Many of the same points apply to  
15 my client and my client was not a party as close to the  
16 trial. They were a party early on in the case, they were  
17 dismissed. But my collateral estoppel argument is a little  
18 bit different and I wanted to just pitch that to you real  
19 quickly. I have got a little -- it's not really an exhibit  
20 but it's a summary here of what you might be looking at when  
21 you try to charge the jury in this case. We know in the  
22 first case -- which I call Southcross 1, that's the case  
23 with the double verdict -- we know that there were  
24 two parties submitted: It was Southcross parent and there  
25 was Furmanite which is the settling party. And the jury

1 answered yes to both of them and assigned 70 percent to  
2 Southcross and 30 percent to Furmanite. And, uh, and of  
3 course other things in the charge. The problem is when we  
4 get to our case we are going to submit again Southcross  
5 Energy the parent and Furmanite as a settling person and  
6 then my client Galbraith and Sepulveda perhaps as well as  
7 CCNG. And I think under collateral estoppel Plaintiff's are  
8 bound by a "yes" finding as to Southcross the parent and  
9 Furmanite. But more importantly they are bound by those  
10 numbers, and the numbers are a jury has already assessed 70  
11 percent responsibility on Southcross the parent and  
12 30 percent on Furmanite. That adds up to a hundred.  
13 There's nothing left for anybody else. That's why you get  
14 one bite.

15 So you can't keep trying a case against more  
16 defendants. You get a judgment, you get a verdict, you get  
17 a recovery, and then on the same action you start suing more  
18 people because of necessity the total percentages are going  
19 to be in conflict and they are going the ad up to more than  
20 a hundred percent.

21 So that's really the new point that I wanted  
22 to bring to your attention. I think it's going to be a  
23 nightmare for you when you try to charge the jury on this.  
24 And when you drill down and look at it those binding  
25 findings are going to essentially exonerate the others

1 because they weren't included in the first case to get into  
2 that first hundred percent.

3 THE COURT: I did see that -- which is a  
4 question that went through my mind -- if there's full  
5 responsibility on these parties what do you do on the new  
6 case? I guess for the appellate lawyers: How long does it  
7 take on a permissive appeal when these questions go up?

8 MR. FLORES: Your Honor, they typically don't  
9 get advanced any faster than other appeals. Once they get  
10 up the briefing schedule is the same, people take  
11 extensions, it's not going to be a fast process.

12 THE COURT: This is the third time. I have  
13 only been on the bench a month and this is the third time  
14 that this comes up.

15 MR. PRINGLE: I will say they are aware of  
16 this case at the Court of Appeals so it could be -- it's  
17 possible it could be fast-tracked a little bit.

18 THE COURT: And then the verdict in the first  
19 is up there. So that hasn't been resolved.

20 MR. PRINGLE: That's correct.

21 MR. WRIGHT: Your Honor, this is Tom Wright  
22 again. It could be substantially sooner than that about  
23 you, you know, there is a May trial setting. I can't  
24 represent to you it would be done by May. I am not really  
25 sure if anybody is serious about a May trial setting in this

1 case. But maybe the answer will be well we have already  
2 tried it once so we don't need any more discovery to work  
3 which sort of proves the other point.

4 THE COURT: So y'all already have a date? And  
5 what's the likelihood of that?

6 MR. RUMLEY: Your Honor.

7 THE COORDINATOR: May the 20th.

8 MR. RUMLEY: We are ready for trial. This  
9 case has been and file for a year. If they were so  
10 confident in their possession I'm sure they would have filed  
11 this motion months ago. In fact they would have filed this  
12 motion without any discovery at all but this case has been  
13 on file for a year, uh, and we are ready for trial.

14 MR. STRANDMO: It's nowhere near ready for  
15 trial, Your Honor. We have been fighting Southcross 1 and  
16 the appeal and they filed initially it was 82 and 83 cause  
17 number so there's that joint motion was to consolidate that  
18 one went down the pipe. And also the very means by which  
19 they got that trial setting is somewhat suspect. Mr. Rumley  
20 filed a motion to get a trial setting. Written objections  
21 to that trial setting were filed. The following week we had  
22 a hearing. Mr. Rumley's motion was not on the docket, other  
23 motions were, the visiting judge was here, he ruled on those  
24 other motions, he signed orders on those other motions that  
25 morning. Everybody went home, nobody brought up the

1 contested trial setting. Later that afternoon we get an  
2 order from the visiting judge signed some time in that  
3 afternoon setting us for trial, over our objection, without  
4 a hearing, when we were there that very day, Your Honor. So  
5 we are going to raise the trial setting, Your Honor, we are  
6 not ready for trial in May.

7 MR. RUMLEY: That's absolutely not true. I  
8 have e-mails from Mr. Strandmo where he agreed to the docket  
9 control order that was submitted with this trial date and  
10 the deadlines and I will be happy to supply the Court with  
11 his e-mail agreeing to the very order that was entered.

12 MR. STRANDMO: That's not correct either, Your  
13 Honor. As Mr. Rumley circulated that and there was some  
14 concern about the effect agreeing to a trial setting would  
15 have on this hearing and on the appeal in a prior case and  
16 so we didn't sign any agreed DCO, we didn't sign an order  
17 setting it for trial in May and we were opposed to that.

18 MR. PRINGLE: Your Honor, if I may one more  
19 thing. Again Ross Pringle. There's also another case, uh,  
20 that's, uh, filed by Lisa Bueno Martinez Gonzalez that was  
21 severed out early on. She was summary judgmented. It's  
22 gone up on appeal. 4th Court of Appeals has reversed that  
23 summary judgment. Now it is pending on petition in the  
24 Supreme Court but it's possible that that could be disposed  
25 of and that that case would come back and possibly

1 consolidated back with this case which could jeopardize our  
2 trial setting.

3 MR. WRIGHT: She claims to be a common-law  
4 wife?

5 MR. PRINGLE: She claims to be a common-law  
6 wife of Jessie Gonzalez, one of the deceased.

7 THE COURT: Alright. Well anything else?

8 MR. WRIGHT: Thank you for your time, Your  
9 Honor.

10 MR. HAMMOND: May I have an opportunity to  
11 respond to the Galbraith arguments?

12 THE COURT: Sure.

13 MR. HAMMOND: Couple of preliminary points  
14 before I get to the issue -- preclusion issue. First as  
15 Your Honor noted this is a motion for reconsideration.  
16 Judge Garcia already heard the arguments that were advanced  
17 here today and that were advanced in the motion for summary  
18 judgment by Galbraith and he rejected them and denied the  
19 motion. They have given you no reason, no new law, no  
20 facts, no new argument that Judge Garcia didn't hear, and  
21 they have not explained why his old order was wrong. So on  
22 that basis alone you don't even need to get to the merits,  
23 you can just deny the motion.

24 On the merits, uh, he kind of lumped the claim  
25 preclusion argument in with CCNG's but they are importantly

1 distinguishable because Galbraith was Mr. Gonzalez' employer  
2 and they are not affiliated in any way. You can look at  
3 that chart that CCNG submitted, Galbraith is not on it,  
4 there's no privity there. Galbraith certainly wasn't a  
5 party to the earlier judgment so they can't really argue  
6 claim of preclusion on that.

7           On the issue of preclusion argument, we have  
8 two main responses: The first is that the claim against  
9 Galbraith is a claim purely for exemplary damages, which is  
10 distinguishable for a claim of ordinary negligence for  
11 actual damages. Galbraith elected the workers' comp -- or  
12 I'm sorry -- Mr. Gonzalez elected workers' compensation as  
13 his remedy against Galbraith so the workers' compensation  
14 statute precludes him from pursuing an ordinary negligence  
15 claim against them at all. So all the negligence findings,  
16 all the ordinary negligence findings in the first case don't  
17 preclude an exemplary damages suit against Galbraith here.  
18 That's the first point.

19           The second point is as to this causation  
20 argument. Uh, issue preclusion requires that the specific  
21 issue be necessarily determined or expressly determined in  
22 the prior lawsuit. That's what you need in order for it to  
23 be fully and fairly litigated. That didn't happen here.  
24 The charge doesn't say -- doesn't ask the jury in Southcross  
25 1 to apportion the responsibility, the liability,



1 exclusively to Southcross and Furmanite. The question  
2 wasn't do you find Southcross Energy and Furmanite -- do you  
3 find that their negligence caused the injury to the  
4 exclusion of the other defendants. That's not what the  
5 charge says. Then when the charge apportioned the blame it  
6 was only the blame that could be attributable to those  
7 two defendants. That's the most reasonable reading of the  
8 charge, and it wasn't necessary to, uh, resolve -- it wasn't  
9 necessary to resolve whether or not Galbraith was not  
10 negligent at all or how much their negligence contributed to  
11 the accident. That was not before the jury. Galbraith  
12 wasn't before the jury. That wasn't submitted, the parties  
13 didn't argue it. And that's why issue of preclusion has  
14 this fully and fairly litigated requirement. It's also why  
15 it has an identity of parties an adversity of parties  
16 requirement to make sure that those issues between two new  
17 parties are litigated in a previous lawsuit. That didn't  
18 happen here. Galbraith was never before the jury so there  
19 was no ruling to resolve whether or not it was liable at  
20 all.

21 MR. PRINGLE: May I respond to those  
22 two points? The Barr versus Resolution Trust Corporation is  
23 a Texas Supreme Court case. It says that issue of  
24 preclusion and claimed preclusion bars claims which were or  
25 could have been litigated. My client was a defendant in

1 that case for quite a while. They could have litigated that  
2 in their first bite at the apple and chose not to. That's  
3 number one.

4 Number 2, whether or not there's going to be,  
5 uh -- they are not seeking negligence -- a negligence  
6 finding against me. However, my client must be found to be  
7 negligent to be grossly negligent. That's kind of a  
8 threshold pass-through issue, and under the chart that I  
9 have given you, I don't see how they can do that when all  
10 the negligence has been apportioned. How can there be a  
11 finding that my client's negligence, simple negligence, was  
12 a proximate cause of the accident, that's not in conflict  
13 with that earlier jury finding?

14 And the final point that I would make is when  
15 there needs to be an identity of parties only applies to  
16 identity of parties against whom the Collateral Estoppel  
17 issue of preclusion claim is asserted. There is an identity  
18 of parties here, even though my client wasn't a party to  
19 that first judgment, they were and so I am applying it  
20 against them because they had an opportunity to fully  
21 litigate it and didn't, and that's the Casa Del Mar case  
22 cited in my original motion.

23 THE COURT: Anything else?

24 MR. HAMMOND: Just briefly in response to  
25 those points. The Barr case, Your Honor, concerned the

1 third prong of claim preclusion whether or not claims could  
2 have been brought. That's totally separate from the three  
3 requirements of issue preclusion. Can't use that case to  
4 satisfactory the fully and fairly litigated prong of the  
5 issue of preclusion.

6 And then again to the extent that the punitive  
7 damages are predicated on the ordinary negligence of  
8 Galbraith: Again that issue just wasn't resolved in the  
9 prior lawsuit. Uh, the proportions of liability that were  
10 distributed between Furmanite and Southcross were not  
11 exclusively -- does not necessarily imply that those were  
12 the only parties that were responsible for the accident.  
13 Those are just the only parties before the Court in  
14 Southcross 1.

15 THE COURT: Let me ask you this: Well since  
16 somebody brought it up, what, what discovery are you all  
17 going to do on this in this matter or there's no discovery  
18 like you said? Where are you all on that?

19 MR. RUMLEY: We have produced our expert, Your  
20 Honor, we produced our expert report, uh, pursuant to the  
21 Court's deadlines. All of the deadlines, I believe, have  
22 been met with one exception and I know from sitting here  
23 today it's important to the Court is a mediation deadline.

24 THE COURT: By the way, I have not even seen  
25 your -- is it in here?

1 THE COORDINATOR: Yes, Judge. The trial is  
2 set for May the 20th so we are leaving everything for May  
3 the 20th. You are going to be out.

4 MR. RUMLEY: So even though the mediation  
5 deadline is passed I can tell you as you can see just in  
6 this room there's lots of parties and I believe we all have  
7 agreed, we have agreed on a 2-day mediation and, uh, we have  
8 agreed that it's not only going to mediate the issues in  
9 this case but mediate the appellate issues. They have  
10 also -- Southcross has invited Lisa Bueno, Craig Sico, those  
11 two cases to participate. There's also Part B which is a  
12 insurance fight among all them that is also pending before  
13 Your Honor. Uh, and, uh, the suggestion by Southcross and  
14 the plaintiffs in this case is that, uh, this Court, uh --  
15 and I think you have the authority and the power to do so  
16 because of the Part B case, but in order for this case to  
17 have any shot of settling, uh, all of the parties and their  
18 carriers need to be present and, uh, Southcross has issues  
19 on indemnity, defense, all of this stuff and just to be  
20 candid with the court, while we tried this case the defense  
21 lawyers for Southcross, they didn't have any money to settle  
22 the case because those insurance issues had not been  
23 resolved. It could not be settled. And so we scheduled  
24 this mediation at the end of April which is months away but  
25 it should give them time to resolve their issues and figure

1 out who is on first because before we know who is on first  
2 mediation I just a waste of time which is what happened  
3 before.

4 And so -- and Mr. Barger -- Southcross agrees  
5 with me, Mr. Barger obviously represents Furmanite the  
6 settling defendant but he's also a party in Part B. And  
7 Southcross's position is Furmanite's insurance carriers need  
8 to be present at any mediation for that to be meaningful.  
9 Not saying they have to pay or you are at fault but they  
10 need to be there. Someone needs to be at the seat in order  
11 to mediate the case.

12 And so what we are asking for -- and I know  
13 Mr. Barger is going to object because it's not set for today  
14 but perhaps we could get some guidance from Court -- is, at  
15 least an order that the parties and the carriers that are  
16 before your Court, whether or not it's in part A, B, C, D,  
17 18-82, that, uh, that they attend the mediation in good  
18 faith. We have set aside two entire days. We have all  
19 agreed to a mediator, we have agreed to do it in Houston as  
20 a convenience for all these carriers flying in.

21 THE COURT: Not for Mr. Barger?

22 (Laughter).

23 MR. RUMLEY: It's at the request of Mr. Barger  
24 it's in Houston.

25 THE COURT: Okay.

1 MR. RUMLEY: No, I am just kidding but --

2 MR. BARGER: I don't care where you do it.  
3 Let's talk about who is going to be there, that's my issue.

4 MR. STRANDMO: Mediation being in late April  
5 and an early May trial setting, if we are going to take a  
6 serious shot at mediation we need to put all our efforts  
7 into that mediation because it's a complex case --

8 MR. RUMLEY: Uh-huh.

9 MR. STRANDMO: -- it has got five different  
10 parts.

11 MR. RUMLEY: He suggested we mediate in March  
12 and sent a letter out. The problem is -- and Mr. Barger and  
13 I talked about it -- this is a complex case, we need a good  
14 mediator and no offense to any other bad mediators but --

15 (Laughter.)

16 MR. RUMLEY: -- we need a really good mediator  
17 and Andy Lehrman has already mediated this case. Uh, we  
18 talked about some Houston mediators but frankly the good  
19 ones in Houston aren't available until June.

20 THE COURT: Who is your mediator?

21 MR. RUMLEY: Andy Lehrman.

22 THE COURT: Okay.

23 MR. RUMLEY: And so, uh, and so I mean it is  
24 April just because not due to any of us but literally just  
25 the circumstances for Andy.

1 MR. BARGER: Well, can I be heard before you  
2 on this issue?

3 THE COURT: Absolutely.

4 MR. BARGER: I didn't mean to interrupt.

5 THE COURT: Right and look I'll tell you what  
6 I told my -- I don't know how many judges start this way but  
7 the very first day we had a jury trial on my first day on  
8 the bench. I told the lawyers are you sure you want to do  
9 this?

10 (Laughter).

11 THE COURT: I'll tell you all are you sure you  
12 want to do this?

13 MR. BARGER: They were testing you.

14 THE COURT: Yeah but I guess, uh, we are just  
15 talking so that I am -- I don't know details of the case so  
16 right now I know some things are not said or whatever, we  
17 are just talking, and I would like -- because this is -- if  
18 you think this complicated I don't even know what it's about  
19 literally. So let me hear from you, Mr. Barger.

20 MR. BARGER: Let me make a suggestion from the  
21 30,000-foot level. Let me try because I may know less than  
22 you about this case than some of them but there was a case  
23 that Mr. Rumley and Mr. Lyles and Mr. Harris sued Furmanite  
24 and Southcross. Okay. I settled for Furmanite with both  
25 David and Kevin and Bryan.

1 THE COURT: My question is why are you still  
2 here?

3 MR. BARGER: I am about about to go there.

4 (Laughter).

5 MR. BARGER: When I say 30,000-foot maybe it's  
6 60,000 foot. But, that case against Southcross was then  
7 tried and that's the one that has all kinds of issues going  
8 on. I am not involved in that.

9 There is a second case called B, I believe,  
10 and that is where these insurance for Southcross basically  
11 is suing the insurance for Furmanite over some quote unquote  
12 indemnity issues. We don't need to discussed any of that.  
13 That's severed out.

14 Now, Norton Rose Fulbright is attorney in  
15 charge of that. Mike Steindorf out of Dallas. I am in that  
16 case as kind of a local guy but I am not in charge of that  
17 case. That is the second case where the insurance carriers  
18 are fighting about who owes who indemnity.

19 Now my carriers for Furmanite are part of  
20 those carriers. We paid substantial money, which is a  
21 confidential settlement and we are out of that case. But  
22 now we are dealing with all these other insurance carriers  
23 who, who we don't need to worry about their names right now.

24 There's a part C case: That's the common-law  
25 wife, uh, Ms. Bueno, which is on appeal, and then there's I



1 guess it's called D I don't know what it's called.

2 MR. SICO: D is settled

3 MR. BARGER: Well there's another that Sico --  
4 you heard it this morning, that's Hartzell. That one. We  
5 had all these cases. The first mediation I was not involved  
6 in and David is right. They went there, Southcross had no  
7 money, we didn't settle at the time but we settled later.

8 Now they say we have scheduled the mediation  
9 for the end of April. Well, I don't know who we is because  
10 I have not agreed to that.

11 But here's what I am going to suggest and you  
12 are right it's not set for today but let's get some common  
13 sense and figure out what to do. I suggest that two day  
14 mediation of all these people is a total waste of time. I  
15 think the carriers need to mediate first between Furmanite  
16 and Southcross carriers.

17 MR. PRINGLE: And Galbraith.

18 MR. BARGER: And Galbraith. They need to go  
19 to a mediation and figure out if they are ever going to  
20 figure out how to resolve the case. I think there's an  
21 opportunity there and I would like to see it go away. I  
22 think at the same time have all these guys sit there while a  
23 bunch of insurance guys and people from all over the world  
24 and coverage lawyers are arguing is a total waste of  
25 Rumley's time and Kevin's time and Bryan's time.

1 I think you ought to set the mediation for  
2 Part B. They can do that towards the end of April. You can  
3 keep your date for April the 22nd for the other part of the  
4 mediations if you want to, but let's do them separate like a  
5 week apart because candidly I don't want to sit there for  
6 two or three days where we are just really watching TV  
7 because that's what's going to happen until these  
8 two carriers groups figure out what they are going to do if  
9 anything.

10 MR. RUMLEY: And I have no objection to that  
11 but I've been told that for two years. Two years and Part B  
12 is just sitting there. If I could jump in to Part B and  
13 make these guys do something -- but no one is doing  
14 anything. They are all just sitting there. They are  
15 playing poker with their arms crossed. So the only reason  
16 why I suggested the two day because I can get in there and  
17 go and do something but if Mr. Barger -- if the carries  
18 would commit to go to mediation in Part B, I don't want to  
19 sit around, I agree. I am just -- I am trying to do  
20 something to get a case that should be settled to a  
21 mediation so that all of the parties have a realistic chance  
22 of getting this thing to go away. And Strandmo and I talked  
23 and this was our suggestion. So if Mr. Barger and  
24 Furmanite's carriers, if they want I would love for you to  
25 order Part B to mediation in March. Frankly.

1 MR. BARGER: March I can't do it in March. I  
2 would love for you to be able to order me to do it in March  
3 but I can't. Here's what I suggest: Because I have talked  
4 to one layer that I think is the only one necessary but  
5 there are a lot of the tower above one layer of insurance.  
6 I think you should order us to mediation.

7 THE COURT: Now who are the carriers? Who  
8 represents --

9 MR. BARGER: They are not --

10 THE COURT: They are not here?

11 MR. BARGER: There's no reason for them to be  
12 here but they are not. Yeah, you got AIG, Birkshire, you  
13 got some London people.

14 MR. RUMLEY: You got (undiscernible) XL  
15 Insurance, (undiscernible simultaneous speaking) Argo,  
16 Culmerson Industry which is AIG.

17 THE COURT: So, well number one I like your  
18 suggestion I think unless somebody thinks it's not a good  
19 idea. There's no sense in having a two day mediation  
20 between the parties. We don't know who is going to pay or  
21 ever going to pay. So okay. So what do we need to do to  
22 get -- I know an order but what do we need to get them in  
23 here?

24 MR. BARGER: I think you need to tell me on  
25 behalf of Furmanite and tell Southcross on behalf of their

1 carriers, I want you people to get your carriers to go to a  
2 mediation on Part B, and whoever shows up there shows up. I  
3 don't think you can order people from London to come but  
4 don't worry about it we'll get the right people.

5 THE COURT: I want you all to talk to  
6 Southcross and to Furmanite and on Part B and do that.

7 MR. BARGER: Okay. We'll get that set and I  
8 can go back and tell my people you've told us to go mediate  
9 Part B. My issue is we think towards -- keep your date for  
10 April whatever it is.

11 MR. RUMLEY: He has additional dates. That's  
12 the first time he had two consecutive dates. So we are only  
13 mediating one day then I mean --

14 MR. BARGER: Then I will get with Andy Lehrman  
15 and come up with you guys with a date towards the end of  
16 April, the 3rd week in April that we can get everybody to  
17 mediate Part B. And then depends on what happens there  
18 people can do what they, you know, then you go to part  
19 whatever it is.

20 THE COURT: Well I think that's the best  
21 approach at this point. If we can get Part B like you say.  
22 Obviously on our trial date at some point we should get a  
23 trial date just down the road I guess but, uh, because if we  
24 got all these things are we going to have inconsistent  
25 judgments and, I, I -- oh my God.

1 MR. BARGER: Welcome to the worse case I've  
2 seen in the history of Duval County.

3 (Laughter).

4 MR. PRINGLE: So far.

5 MR. BURKE: Judge, if I can just jump in,  
6 Logan Burke for the Defendant the Estate of Henneke.  
7 There's actually one more summary judgment that's on the  
8 docket.

9 THE COURT: The one for indemnity and --

10 MR. BURKE: Correct. So as Mr. Rumley said we  
11 actually have tried to do something to move this forward.  
12 We filed a Motion for Summary Judgment Requesting Defense  
13 and Indemnity on our Master Services Agreement and there's  
14 then been no response to that to date, despite our efforts  
15 and we have reached out to them. A lot of the issues, as I  
16 understand it, are that our initial tender was way back in  
17 September. When we tendered this thing in September we  
18 included specific references to the Lisa Bueno Martinez  
19 Gonzalez case, and we also included reference to Southcross  
20 1 case. Uh, to date there's been no response from Galbraith  
21 or the carriers that represents anything related to  
22 Southcross 1 or Lisa Bueno Martinez Gonzalez. And we  
23 followed up on this at least 7 times, Judge, including on  
24 the date that their response to the motion for summary  
25 judgment was due a week ago and even yesterday. To date

1 they have put no response before the Court. They have not  
2 reached out to us and asked for a continuance, or even  
3 communicated anything with us related to Lisa Bueno Martinez  
4 Gonzalez and Southcross 1.

5 So as a result of that we are going to ask the  
6 Court to grant the summary judgment this morning.

7 MR. PRINGLE: Judge, I am respondent on that.  
8 Let me give you some background on that. So --

9 THE COURT: But you didn't file a response.

10 MR. PRINGLE: I did not file a response and  
11 here's why: Uh, the motion for summary judgment sought  
12 defense and indemnity on Southcross 1. This motion and  
13 pleading was filed in 2019, in January of 2019. They are  
14 seeking defense and indemnity in Southcross 1 which has been  
15 on appeal for about a year. There's really nothing to  
16 defend in that case right now. It's over in the trial  
17 Court.

18 On Lisa Bueno Martinez, uh, that's up on  
19 appeal. It's been severed out and been on appeal for a year  
20 or more. However, the way I read and the way my carrier  
21 read the request for defense and indemnity was Henneke  
22 wanted defense and indemnity for these cases, this case  
23 right here today that we are -- it's in the trial Court that  
24 people are defending. And immediately when we got this  
25 request for defense and indemnity and the request for, uh,

1 and the motion for summary judgment a forwarded on to the  
2 carry and said we are going to pick up their defense because  
3 they had picked up the defense for the Southcross in this  
4 new case. In this new case.

5 Now, we still have not accepted the defense of  
6 Southcross in the old case again because it's over. That's  
7 in the B case. But they immediately accepted the defense  
8 and reached an agreement on that. And that's in their  
9 summary judgment evidence is my client's carrier has agreed  
10 to defend Henneke in this case but now Henneke has been  
11 nonsuited and now there's nothing to defend.

12 So really the only thing left in this motion  
13 for summary judgment and the motion -- and the request for  
14 defense and indemnity is, they want to seek a declaration on  
15 two other cases that are separate from this cause number.  
16 And so, you know, call it confusion, you know, it's easy --  
17 it's easy to call it confusion. Call it, uh, something  
18 missed but, you know, if you are inclined to consider  
19 granting a summary judgment for defense and indemnity on a  
20 case that's no longer being defended and there's nothing to  
21 indemnify, I would ask leave of Court to have 7 days to file  
22 a response because I came into this until yesterday thinking  
23 that because we picked up their defense, there's nothing  
24 left, and in fact I have an e-mail here from Mr. Sarne. I  
25 said the carrier -- and this is in January, January 17th.

1 "Carrier for Galbraith contacted me and advised they are  
2 willing to a assume Henneke's defense as requested." And,  
3 uh, can we pass the hearing? Pass the summary judgment.  
4 And the answer was thanks for the e-mail. Will a formal  
5 letter be forthcoming? Once we receive same in terms we can  
6 stand down on our motion.

7 THE COURT: This motion.

8 MR. PRINGLE: That's the way I read that  
9 e-mail.

10 THE COURT: Sure. He's the one that just got  
11 nonsuited right now this morning.

12 MR. BURKE: Yes, Your Honor.

13 MR. PRINGLE: Hang on, I'm not done.

14 MR. BURKE: Okay.

15 MR. PRINGLE: Once they said as soon as we  
16 receive the terms of that defense and indemnity we will  
17 stand down on the motion, and all that came to pass just in  
18 the last week, I figured we were off for today until  
19 yesterday they said oh no we want, we want a summary  
20 judgment on part A and on, uh, and on the original Gonzalez  
21 1 which has long been over.

22 So again it didn't make any sense to me, it  
23 still doesn't make any sense to me. It's either filed in  
24 the wrong place -- I can make all these responses in writing  
25 to you if necessary but if you are inclined to consider this



1 motion for summary judgment at this point, I would ask for 7  
2 days to respond to it.

3 MR. BURKE: Judge, I don't know how much more  
4 explicit we could have been to move this thing along. On  
5 February 6th we sent a letter including Mr. Pringle as well  
6 as the coverage attorneys. One of the things that we  
7 specifically say in the letter is that Galbraith and GMIC  
8 the insured, have still not responded to Henneke's renewed  
9 demand for defense indemnity and additional insured status  
10 in relation to Southcross 1 and Luisa Bueno Martinez  
11 (undiscernible). We specifically said it. This is not the  
12 only place we specifically said it. We said it in the MSJ,  
13 we said it in the cross-claim. We attached the Lisa Bueno  
14 pleadings to each of those documents. They are attached to  
15 both of our tenders and referenced in both of our tenders.  
16 We jumped up and down to do everything we could do  
17 ostensibly to get these guys to respond. They have not  
18 responded. There's no evidence before the Court this  
19 morning in opposition to our motion for summary judgment.

20 MR. PRINGLE: Again, we have responded. Their  
21 motion said essentially we want the same deal that you gave  
22 CCNG.

23 THE COURT: Right. I saw that.

24 MR. PRINGLE: That's the deal we gave them.  
25 That's the deal we gave them.

1 MR. BURKE: Judge, we asked for defense  
2 indemnity and additional insured status on two additional  
3 cases that you heard a lot about this morning. They still  
4 have not responded at all and they still have not responded  
5 this morning to you.

6 THE COURT: But those two additional cases are  
7 not this case.

8 MR. PRINGLE: They are not this case.

9 THE COURT: Don't confuse me any more.

10 MR. BURKE: But they are part of our  
11 crossclaim.

12 THE COURT: I see.

13 MR. RUMLEY: There's a little amicus. I do  
14 have a dog in the fight just because I think it's Galbraith  
15 is the one playing games. Jessie Gonzalez was an employee  
16 of Galbraith.

17 THE COURT: Right.

18 MR. RUMLEY: And he was there as part of a  
19 master service agreement. That master service agreement  
20 provides various defense indemnity obligations. And so  
21 Southcross has taken the position that Galbraith by and  
22 through their carriers owe them indemnity. If you want to  
23 talk about the cog in the wheel that prevents this case from  
24 settling is because everybody in this room but for  
25 Galbraith's carriers say they owe first money, and until

1 they pay first money he's not offering a penny, he's not  
2 offering a penny, he's not offering a penny. That's why  
3 this is so important today in order to get this done is that  
4 this has been an issue. This isn't new. This has been an  
5 issue that's been going on forever and ever and ever. And  
6 yeah it is an issue in Part B, yeah it is an issue in  
7 Gonzalez 1, but he's right. They owe defense and indemnity  
8 and their carries are refusing to do it. And on top of it  
9 once we sued them as for employer liability, they are non  
10 subscriber. He's saying they don't have any insurance. So  
11 now we are left with this is the only insurance in the case.  
12 They are saying we are not going to pay it. And now  
13 Henneke, the estate of Henneke who also died in this, has  
14 taken this position.

15 So at some point it has to be decided and  
16 that's why, as far as I am concerned, we support this  
17 motion. We think it's valid. The reason why he hasn't  
18 opposed it is because he has no opposition. It's a  
19 contract. It's the four corners. You owe indemnity. I'm  
20 sorry. You owe indemnity. Pay it. Pay it. And then we  
21 can move on down the road.

22 MR. PRINGLE: If that's the case, Judge, give  
23 me 7 days to respond to it and I'll show you why we don't  
24 owe it. The reason that we picked up CCNG's defense in this  
25 case is based upon the allegations in this case which

1 alleged that this arose out of our work. It didn't but it  
2 alleged that for the first time, so we picked up the defense  
3 in this case of CCNG.

4 THE COURT: Does this all get addressed if we  
5 get the carriers in the room or not?

6 MR. PRINGLE: I sure hope so.

7 THE COURT: Well then let's get the carriers  
8 in the room.

9 MR. BURKE: I think an order granting our  
10 motion for summary judgment does a lot to move those  
11 carriers along that to date have continued to stick their  
12 hand's heads in the sand. The response that we gotten even  
13 yesterday was well we'll get back to you at some point.  
14 We'll let you know at some point in the future, and that's  
15 what we continue to here hear. We need something to remove  
16 the cog from this wheel.

17 THE COURT: Don't we need an order? How do we  
18 get an order to get everybody in the room? Mr. Barger, it  
19 was your suggestion so how do we get there? Do we need an  
20 order? How do we get an order?

21 MR. BARGER: I think you just orally tell us  
22 to do it and I'm fine with that. My people will be there  
23 but if you want an order let's -- we'll draft up an order.

24 MR. STRANDMO: I think Furmanite and  
25 Southcross understand that the Court would like to see us

1 mediate the B case cross-claims for indemnity and defense in  
2 the Southcross 1 case.

3 THE COURT: Right.

4 MR. STRANDMO: In the Southcross 1 case. We  
5 are -- we have been trying to get there. We don't have a  
6 problem with that as long as Furmanite shows up. That's  
7 been the problem. Furmanite won't commit to being there.  
8 But if Barger -- Darrel tells us -- Mr. Barger tells us that  
9 Furmanite's insurers are going to be there, they are going  
10 to come in good faith to settle case, I am great with that.

11 MR. BARGER: I will tell you appropriate  
12 people will be there to include my carrier.

13 THE COURT: Alright Mr. Barger said it.

14 MR. BARGER: I don't know about all the tower  
15 for London but we don't need them so we are fine. I don't  
16 need an order to tell us to go mediate with Southcross's  
17 carriers.

18 MR. STRANDMO: The other issue we have, Your  
19 Honor, is since the -- DNI is going to be mediated in late  
20 April and then I need a mediation with David -- Mr.  
21 Rumley -- to settle the case: May 10th isn't going to work.  
22 So we are all here, maybe we can go ahead and push that  
23 trial date back later in the year.

24 MR. RUMLEY: I would suggest mediating the B  
25 case earlier and there's no reason to set it for the end of

1 April. They suggested mediating that case in March so I  
2 would -- I am -- Mr. Barger may be on vacation and I  
3 certainly understand that but maybe early April they can do  
4 that.

5 MR. BARGER: I talked to a carrier and I have  
6 got to have late April because people have got to do -- and  
7 I can't do it, I can't commit to early April. And by the  
8 way, David, I am not on vacation, I have to be in trial  
9 probably with your partner somewhere.

10 So the issue is I am saying like April the  
11 20th in that time-frame. I will get -- we'll get with the  
12 people and get a date handy and we'll get a date from Andy,  
13 and talk to the carriers and get date with an agreement.  
14 And like I say I don't need a written order from you.

15 THE COURT: Okay. We don't need an order.  
16 And this is for all of you. I know all of you want your  
17 issue resolved by next week, I understand that. This is  
18 going on for years, I can't resolve it the first week I am  
19 on the bench. This is the first hearing.

20 (Laughter).

21 THE COURT: But whatever we need to do to push  
22 it, to get it done, if we -- let's get it set as soon as  
23 possible, B, and that way and quite frankly how do we keep  
24 the may setting? We can't but we need to, if we are going  
25 to do that, then we need to then the next step to get

1 everybody to mediation and get this cleared up and see where  
2 we are at because we go back to the, uh, the issue of these  
3 permissive appeals, that whether it's the cost to the  
4 clients or the delay or the stay and all of that, I mean, I  
5 am sure everybody wants to resolve this case, that would be  
6 the best thing because if not it does seem complicated.

7 MR. BARGER: Here's what I will commit to do.  
8 I will get with my folks, we'll get with the Southcross  
9 folks and we'll set a date for a mediation with Andy Lehrman  
10 around the time-frame I discussed, and we'll let everybody  
11 know when it is, then they can deal with it. After that day  
12 whatever happens, whatever happens.

13 THE COURT: As soon as you know the date maybe  
14 you all can come around with the next date a week later or  
15 two weeks later or whatever it is so that, uh, maybe we get  
16 everybody in the room and see.

17 MR. BARGER: I have one comment. We can  
18 mediate for instance, I can mediate with Mr. Sico but that's  
19 a total waste of time. I am not paying him any money any  
20 time, Judge, in that case.

21 (Laughter).

22 MR. BARGER: I can't do it. It's going to be  
23 tried. And Craig already knows that. So I wouldn't order  
24 Craig Sico to come to mediation. If there's any way to get  
25 it resolved we will deal with it same way with Ms. Bueno,

1 the alleged common law wife. It's Rene Rodriguez and Terry  
2 Shamsey. I will deal with them. We don't need to have  
3 these guys show up at a mediation, unless somebody wants  
4 them there.

5 MR. RUMLEY: I agree with that.

6 MR. BARGER: I don't want Rene Rodriguez or  
7 Terry Shamsey near any mediation. I'll deal with that.

8 MR. STRANDMO: The only issue that Southcross  
9 has with the May 10th trial date, we are under the gun on  
10 the DCO deadlines that are coming up. So if we are in  
11 agreement that May 10th is not going to work -- and it's  
12 not -- then we ask the Court to give us relief from the  
13 deadlines in that May 10th DCO, Your Honor.

14 THE COURT: So then what would we do by a  
15 trial date? I don't want this to just what --

16 MR. STRANDMO: Lets set it for trial. Let's  
17 find a date at the end of the year that works and set the  
18 trial.

19 MR. RUMLEY: My only suggestion, as the Court  
20 probably knows is, that the people way in London they  
21 respond better with a deadline, and having a trial date in  
22 place perhaps will get them to fly across the pond and take  
23 a mediation seriously.

24 They could have filed a motion for  
25 continuance, they have not. We went ahead and designated



1 experts, spent significant money on designating experts in  
2 this case. He if he needs relief on his expert deadlines,  
3 you know, I mean I don't have any problem with giving him an  
4 extension on his expert deadlines. I am not sure what it is  
5 but my suggestion is we keep the date. I understand that  
6 the Court's not even available then. And so knowing that  
7 maybe off-the-record we can just say, you know, I mean, we  
8 know it's not going to go because the Court is not available  
9 but I think we need to keep it on to hold their feet to the  
10 fire.

11 MR. STRANDMO: Here's the problem with keeping  
12 the date: I can get ready for trial or I can get ready for  
13 mediation. I can't do both. Those are two completely  
14 different tasks, and as far as Mr. Rumley designating the  
15 experts all he did was attach two pages from his experts  
16 saying I hereby endorse the report I already gave. Except  
17 now instead of the allegations against Southcross Energy now  
18 it's allegations against Southcross CCNG.

19 THE COURT: Well it seems like everybody  
20 really wants to try to mediate and I guess that's the push  
21 right now. Right?

22 MR. STRANDMO: Absolutely.

23 THE COURT: Uh, well let's assume that we need  
24 to get -- I understand where you are coming from and I have  
25 learned this all over the years that you do need to keep the

1 pressure on to try to get something done. But even if we  
2 gotta continuance, how much are we talking about? How long?  
3 It's not set today and I won't consider it right now but --

4 MR. STRANDMO: Late in the fall would be fine,  
5 Your Honor.

6 THE COURT: Not August, that's for sure.

7 THE COORDINATOR: October 21 and November --

8 MR. BARGER: That's when we just set our case.

9 MR. PRINGLE: That one won't go.

10 MR. BARGER: I want to win the summary  
11 judgment, Hartzell won't go.

12 THE COURT: Yeah because it's --

13 MR. RUMLEY: If we set this case in the fall  
14 then, I mean, just -- Your Honor, we have to have something  
15 here or these people are not going to get serious. I mean  
16 it's -- frankly --

17 THE COURT: I am not saying that I am granting  
18 it. I am just trying to find out which are the dates  
19 because we are not going to do it in August.

20 THE COORDINATOR: And I have September 9th.

21 THE COURT: Do we have something in July?

22 THE COORDINATOR: July the 1st.

23 THE COURT: So we have got something in July  
24 maybe something in September, not in August. But I am not  
25 granting it right now but I understand, and you all should

1 understand. You know what you need to do to get to where  
2 you need to get. I think you all understand. All of us  
3 understand that.

4 MR. STRANDMO: I guess I will ask Mr. Rumley,  
5 then, do I have relief from my expert deadlines?

6 MR. RUMLEY: Absolutely.

7 MR. WRIGHT: Okay. Then we may need --

8 MR. STRANDMO: Can we set those deadlines at a  
9 later date?

10 MR. RUMLEY: Yeah.

11 MR. STRANDMO: Okay.

12 MR. WRIGHT: I think March 1st is a deadline  
13 for any other dispositive motions and --

14 MR. RUMLEY: We would extend that too.

15 MR. WRIGHT: Okay. You just want to say until  
16 further notice or something? I mean if it's okay with the  
17 Court that is your deadline.

18 THE COURT: Right.

19 MR. RUMLEY: I think we all understand and so  
20 I mean --

21 MR. WRIGHT: Okay.

22 MR. RUMLEY: That would be fine.

23 MR. WRIGHT: Alright.

24 THE COURT: Let me know what we need to do.  
25 If there's an order that I need to get so that we can, you

1 know, hopefully create some movement. I know it's been  
2 difficult because of the visiting judges and different  
3 judges and stuff like that, and orders have been signed,  
4 denied, granted and different things. I am trying to deal  
5 with all of that. So --

6 MR. WRIGHT: Your Honor, in this case it has  
7 an unusual situation of people thinking we have been there  
8 and done that and, you know, nobody wants to say the number  
9 and I am not going to but it's more money than a lot of  
10 people get for similar deaths and injuries. So I mean it's  
11 not chicken feed.

12 THE COURT: Right.

13 MR. WRIGHT: So anyway, that complicates it.

14 THE COURT: I understand.

15 MR. WRIGHT: But of course if you grant our  
16 motion we wouldn't have to worry about this trial setting.

17 THE COURT: Right. Thank you for reminding  
18 me.

19 (Laughter).

20 MR. STRANDMO: The other issue is this May  
21 10th trial setting, it's going to be an issue for my  
22 carriers. And if we are left with 90 days out they are  
23 going to be screaming to get ready for that. They are not  
24 going to be interested in a mediation. We need relief from  
25 that May 10th day. We don't have to reset the trial date at

1 this point but we need to say it's continued until it's set  
2 later because otherwise I have nothing to do other than  
3 prepare for trial and get reports to carriers for trial.

4 THE COURT: That's the thing that, uh --

5 MR. RUMLEY: That's why the carriers will show  
6 up and try to settle the case. If he sends them a letter  
7 says we are off until October they'll be okay calls in  
8 September.

9 THE COURT: The problem is the mediation is  
10 not until April. I understand the dilemma. I understand  
11 that but again if he can't convince his carriers to show him  
12 what he's got, I mean, how can help you, and I understand  
13 that aspect, so I mean --

14 MR. RUMLEY: I understand.

15 THE COURT: You guys tell me how you want to  
16 handle it and I'll help you but --

17 (undiscernible simultaneous speaking)

18 MR. STRANDMO: I need the May 10th date pushed  
19 otherwise I got nothing to do but prep for trial.

20 (Off the record discussion between the  
21 court and the coordinator, then the  
22 hearing resumed.)

23 MR. BARGER: Well maybe this might work.  
24 We'll set our mediation date hopefully by tomorrow. Is  
25 tomorrow Friday?

1 THE COURT: Thursday.

2 MR. BARGER: By Friday.

3 UNIDENTIFIED ATTORNEY: I have already asked  
4 his office to send you dates.

5 MR. STRANDMO: The problem is I don't have  
6 (undiscernible) I have got not just the insured but the  
7 carriers have to respond to that and that's Berkshire that's  
8 lawyers out of New Orleans.

9 MR. RUMLEY: Who I talked to yesterday.

10 MR. STRANDMO: I'm gonna get pushback. They  
11 need to do it in late April. If we try an earlier date we  
12 are going to get push back on that. We are not going to get  
13 a date by Friday. It's taken six weeks to get the April  
14 dates.

15 MR. BARGER: Why don't I suggest to the Court  
16 I will get a date from everybody by Friday.

17 THE COURT: Okay.

18 MR. BARGER: Okay.

19 THE COURT: For the mediation on the carriers.

20 MR. BARGER: For the plan B.

21 MR. WRIGHT: And then maybe the trial can be  
22 continued after that. I don't know, I'm just speculating.  
23 That would be another factor. If we get the mediation date  
24 set in stone then, you know, we will be able to prepare for  
25 mediation.

1 THE COURT: Well and again -- and I am not  
2 saying that we are getting the trial date out. I am trying  
3 to get a feel so you can understand which dates we have got  
4 because I agree and I understand that we, we need to set a  
5 little urgency that we are trying to resolve it, and if we  
6 do -- I know if we do November it's -- then it's  
7 Thanksgiving and all of that. So I am talking about even if  
8 we went that way, something short, something in July, couple  
9 months, you know, again something like that. So I am not  
10 granting it, we are just talking right now.

11 MR. RUMLEY: My suggestion is I think I'm  
12 willing to move all the deadlines. It's essentially like I  
13 am agreeing to a continuance but we just -- we shouldn't do  
14 it. I am just -- knowing these carriers, I mean, they are  
15 all just -- I spent an hour on the phone yesterday with the  
16 excess carrier he's talking about asking me to come before  
17 the Court today and ask you to order Mr. Barger's carriers  
18 to be there. So I am trying to do everything I can to get  
19 everyone in the room to try to get this case resolved, and I  
20 think continuing this case today is not going to do that.

21 I would suggest he goes ahead and files his  
22 motion for continuance, he can go report to the carriers Mr.  
23 Rumley in the kindness of his heart has agreed to extend all  
24 the deadlines. The Court hasn't ruled on the continuance  
25 but I think he may grant it but we never know.

1 THE COURT: He will consider it. Not he may  
2 grant it. He will consider it.

3 MR. RUMLEY: Right.

4 MR. RUMLEY: I mean if he wants to agree to a  
5 July trial setting I can agree to July right now but he's  
6 not going to agree to that.

7 THE COURT: Why? Well, and the whole point is  
8 because you are going to work with him so he can get ready  
9 if he needs to, if the case -- if they don't go, but  
10 obviously if you go to mediation in good faith and we can  
11 get them there it gets us closer. Okay, anything else?

12 MR. BARGER: No, sir. Welcome to the bench.

13 (Laughter)

14 THE COURT: Off-the-record.

15 (After the off-the-record discussion the  
16 proceedings resumed.)

17 THE COURT: Okay I appreciate it.

18 MR. PRINGLE: Can we go back on the record for  
19 just a second?

20 THE COURT: Sure.

21 MR. PRINGLE: Can I confirm that I have 7 days  
22 to file a formal response to this motion?

23 THE COURT: Yes.

24 MR. PRINGLE: Thank you.

25 MR. RUMLEY: Thank you, Your Honor.



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MR. STRANDMO: Thank you, Your Honor.

THE COURT: Thank you appreciate it.

MR. BARGER: See you, Judge. Bye bye.

THE COURT: Bye bye.

(END OF HEARING)

1 THE STATE OF TEXAS )

2 **THE COUNTY OF DUVAL** )

3 I, Ramiro Hernandez, Official Court Reporter in and for  
4 the 229th Judicial District, The State of Texas, County of  
5 Duval, do hereby certify that the above and foregoing pages  
6 1 through 59 contain a full, true and correct court  
7 reporter's record of Summary Judgments and other motions  
8 heard on 2/20/2019 regarding cause number DC-18-82 and  
9 DC-18-83, Ivy Gonzalez et al v. Southcross CCNG Transmission  
10 Ltd., et al, all of which was reported by me.

11 I also certify that this Reporter's Record of the  
12 proceedings truly and correctly reflects no exhibits were  
13 offered or admitted at this hearing.

14 I further certify that the total cost for the preparation  
15 of this Reporter's Record is \$440.00 for the original and  
16 shall be paid by Brock, Guerra, Strandmo, Dimaline, Jones (Mr.  
17 Mark Strandmo), and that this record may be shared with  
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paid by Wright Close & Barger (Mr. Thomas C. Wright) and may  
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18 **WITNESS MY OFFICIAL SIGNATURE AND CERTIFICATION**

19 in accordance with Section 8.11 and 8.11(3) of the Uniform  
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21 /s/ **RAMIRO HERNANDEZ** 2/23/2019

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