

Stephen M. Pezanosky
State Bar No. 15881850
Ian T. Peck
State Bar No. 24013306
David L. Staab
State Bar No. 24093194
HAYNES AND BOONE, LLP
301 Commerce Street, Suite 2600
Fort Worth, TX 76102
Telephone: 817.347.6600
Facsimile: 817.347.6650
Email: stephen.pezanosky@haynesboone.com
Email: ian.peck@haynesboone.com
Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	Chapter 11
	§	
Vista Proppants and Logistics, LLC, et al., ¹	§	Case No. 20-42002-ELM-11
	§	
Debtors.	§	Joint Administration Requested

**DEBTORS' AMENDED EMERGENCY MOTION FOR ENTRY OF AN
ORDER (I) AUTHORIZING MAINTENANCE OF EXISTING CORPORATE
BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM; (II) WAIVING
CERTAIN U.S. TRUSTEE REQUIREMENTS; AND (III) AUTHORIZING
CONTINUATION OF INTERCOMPANY TRANSACTIONS WITH SECTION
364(a) ADMINISTRATIVE PRIORITY**

Vista Proppants and Logistics, LLC and its debtor affiliates, as debtors and debtors-in-possession in the above-referenced chapter 11 cases (collectively, the “Debtors”) hereby file this *Debtors’ Amended Emergency Motion for Entry of an Order (i) Authorizing Maintenance of Existing Corporate Bank Accounts and Cash Management System; (ii) Waiving Certain U.S.*

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) (“Vista OpCo”); VPROP Operating, LLC (0269) (“VPROP”); Lonestar Prospects Management, L.L.C. (8451) (“Lonestar Management”); MAALT Specialized Bulk, LLC (2001) (“Bulk”); Denetz Logistics, LLC (8177) (“Denetz”); Lonestar Prospects, Ltd. (4483) (“Lonestar Ltd.”); and MAALT, LP (5198) (“MAALT”). The location of the Debtors’ service address is 4413 Carey Street, Fort Worth, TX 76119-4219.



Trustee Requirements; and (iii) Authorizing Continuation of Intercompany Transactions with Section 364(a) Administrative Priority (the “Motion”). In support of the Motion, the Debtors respectfully state as follows:

Jurisdiction and Venue

1. The United States District Court for the Northern District of Texas (the “District Court”) has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. § 1334. The District Court’s jurisdiction has been referred to this Court pursuant to 28 U.S.C. § 157 and the District Court’s Miscellaneous Order No. 33, *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* dated August 3, 1984. This is a core matter pursuant to 28 U.S.C. § 157(b), which may be heard and finally determined by this Court. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On June 9, 2020 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) commencing the above captioned cases (the “Chapter 11 Cases”). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. An official committee of unsecured creditors has yet to be appointed in these Chapter 11 Cases. Further, no trustee or examiner has been requested or appointed in these Chapter 11 Cases.

4. A detailed description of the Debtors and their businesses, and the facts and circumstances supporting the Motion and the Debtors’ Chapter 11 Cases are set forth in greater detail in the *Declaration of Kristin Whitley in Support of the Debtors’ Chapter 11 Petitions and*

First Day Motions and the *Declaration of Gary Barton in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (collectively, the “First Day Declarations”), which were filed on the Petition Date and are incorporated by reference in this Motion.

Cash Management System

5. The Debtors maintain a centralized cash management system (the “Cash Management System”) to collect, transfer, and disburse funds. The Debtors’ Cash Management System is similar to those commonly employed by enterprises of comparable size and complexity. Among other benefits, the Cash Management System permits the Debtors to accurately monitor cash availability at all times. The Cash Management System also permits Debtors to centrally manage and track the collection and transfer of funds, which reduces administrative burden and expense and minimizes interest expense. The Cash Management System is summarized on **Exhibit B** attached hereto and is described in more detail below.

A. The Debtors’ Bank Accounts

6. Prior to the Petition Date, in the ordinary course of business, the Debtors maintained seventeen bank accounts (collectively, the “Accounts” or the “Bank Accounts”), which formed the Cash Management System. Fifteen Bank Accounts reside at PlainsCapital Bank (“PlainsCapital”), one Account resides at 1st Source Bank (“1st Source”), and one Account resides at Pinnacle Bank (“Pinnacle” and together with PlainsCapital and 1st Source, the “Banks”). Each of the Debtors’ Accounts is identified below on a Debtor-by-Debtor basis with a brief description of the historical function and use of each Account:

Bank	Acct.	Description
Lonestar Ltd.		
PlainsCapital	x0130	Main Operating Account. The Main Operating Account is the Debtors' primary operating account that the Debtors use to (i) fund the Bulk and MAALT Operating Accounts, (ii) fund the Bulk and MAALT Payroll Accounts, (iii) fund the Management Fees Account, and (iv) to make other necessary disbursements. The Main Operating Account is funded by revenue generated by Lonestar Ltd. and draws on the Debtors' Term Loan and PlainsCapital ABL Credit Facilities.
	x2804	Revolving Priority Account. This Account was established as part of the PlainsCapital ABL Facility. Excess cash from the Main Operating Account is subsequently transferred to this Account.
	x1601	Term Loan Priority Account. This Account was established as part of the Term Loan Facility with Ares Capital Corporation. All proceeds from asset sales are transferred to this Account.
	x2800	Lonestar Restricted Cash Account. (Reclamation Bond WTX Mine)
	x2433	Money Market Account. Inactive.
	x8653	Money Market Account. Inactive.
1st Source	x9610	1st Source Money Market Account. Inactive.
Vista OpCo		
PlainsCapital	x8100	Management Fees Account. This Account is funded by the Main Operating Account, Bulk Operating Account, and MAALT Operating Account. This Account is used to distribute monthly management fees.
	x3286	Vista Money Market Account. Inactive.
	x8100	Vista CD Account. Inactive.
Bulk		
PlainsCapital	x9074	Bulk Operating Account. The Bulk Operating Account is funded by the Main Operating Account from revenue generated by Bulk. The Debtors use this Account to fund the Bulk Payroll Account.
	x5949	Bulk Payroll Account. This Account is funded by the Bulk Operating Account and is used to pay employees of Bulk. Payroll payments are disbursed through Paycom (defined below).
Pinnacle	x3011	Bulk Restricted Cash Account. This Account was historically used to hold a certificate of deposit to secure a letter of credit benefitting Hudson Insurance Company (the " <u>Hudson Letter of Credit</u> "). The Hudson Letter of Credit expired prior to the Petition Date and has not been renewed.

MAALT, L.P.		
PlainsCapital	x7185	MAALT Operating Account. The MAALT Operating Account is funded by the Main Operating Account from MAALT revenue. The Debtors use this Account to fund the MAALT Payroll.
	x5931	MAALT Payroll Account. This Account is funded by the MAALT Operating Account and is used to pay employees of MAALT. Payroll payments are disbursed through Paycom.
VPROP		
PlainsCapital	x8203	VPROP Holding Account. Inactive. The Debtors intend to repurpose this Account as a utility deposit account.
	x6802	VPROP Term Loan Priority Account. Inactive.

7. The Debtors manage their cash receipts, transfers, and disbursements in the Cash Management System through routine deposits, withdrawals, and fund transfers to, from, and between the Bank Accounts by various methods including check, wire transfer, automated clearing house transfer, and electronic funds transfer. The Cash Management System is centered around the Main Operating Account where the Debtors' funds are swept and from which the Debtors' disbursements are managed and directed.

B. Collections and Borrowings under the Revolver and Term Loan Facilities

8. At certain times prior to the Petition Date, the Debtors requested draws under their credit facilities with Ares Capital Corporation ("Ares") and the additional lenders (collectively, the "Term Loan Lenders") under the Debtors' term loan (the "Term Loan Credit Facility") and PlainsCapital, the Debtors' lender under an asset-based loan facility (the "PlainsCapital ABL Credit Facility"), which is the subject of the Revolving Priority Account. The availability of funds under the Term Loan Credit Facility and the PlainsCapital ABL Credit Facility is determined based on the metrics outlined in the applicable loan documents. Funds drawn by the Debtors under the Term Loan Credit Facility and the PlainsCapital ABL Credit Facility at Lonestar Ltd. are initially deposited into the Main Operating Account.

C. Disbursements

9. The Debtors' disbursements are directed through the Main Operating Account, MAALT Operating Account, and Bulk Operating Account (collectively, the "Operating Accounts"). The Debtors' payroll is made from the Operating Accounts. The Main Operating Account transfers funds to the MAALT Operating Account and the Bulk Operating Account if there is a shortfall, and from the Operating Accounts to the MAALT Payroll Account and the Bulk Payroll Account (collectively, the "Payroll Accounts"). The Debtors transfer funds from the Payroll Accounts to Paycom Software, Inc. ("Paycom"), a third-party service provider, approximately two (2) days prior to the Debtors' regularly-scheduled payroll. Subsequently, Paycom makes payments to the Debtors' employees and to various third parties as described below. In conjunction with the transfers to the Payroll Accounts, the Debtors also transfer designated funds from the Operating Accounts to Paycom, which distributes all payroll taxes, garnishments, employee benefit deductions, workers' compensation and other miscellaneous deductions to the appropriate designees. 401(k) Contributions are distributed to Principal Financial Services, Inc. by ACH approximately three to five days after payroll. Further, the Debtors transfer funds from the Main Operating Account to pay applicable property taxes. Funds are periodically transferred to the appropriate taxing authorities directly by the Debtors to facilitate tax payments. Moreover, funds necessary to make required payments are regularly transferred from the Main Operating Account for disbursement to vendors and other payees.

D. Intercompany Transactions

10. In the ordinary course of business, the Debtors maintain business relationships with each other, resulting in intercompany receivables and payables (the "Intercompany Transactions"). At any given time, there may be balances due and owing by and among the Debtors' various entities. The Debtors maintain records of, and can ascertain, trace and account for, the

Intercompany Transactions. Periodically, there is a true-up or netting of the obligations among the Debtors, and those debits and credits are consolidated to a net intercompany balance between the applicable Debtors. Moreover, the Debtors and the Banks will continue to maintain such records, including records of all current intercompany accounts receivables and payables, in the postpetition period. Thus, the propriety of all Intercompany Transactions can be verified.

E. Collections, Borrowings, and Disbursements Under Proposed DIP Facility

11. Contemporaneously with the filing of this Motion, the Debtors filed a motion for authorization to obtain debtor-in-possession financing (the “DIP Motion”) under a senior secured term loan credit facility (the “DIP Facility”), in accordance with a debtor-in-possession credit agreement by and among the Debtors, Ares as administrative agent (in such capacity, the “DIP Agent”), and the lenders party thereto (collectively, the “DIP Lenders”). Subject to the Court’s approval of this Motion and the DIP Motion, the Debtors intend for proceeds of the DIP Facility (the “DIP Facility Proceeds”) to be initially deposited into the Term Loan Priority Account. The funds necessary to remit authorized, budgeted disbursements will be transferred from the Term Loan Priority Account to the Main Operating Account for disbursement on an as-needed basis (subject to the terms of any order granting the DIP Motion and the definitive documentation of the DIP Facility). To avoid any commingling of DIP Facility Proceeds, any cash collateral subject to a first priority lien or security interest of PlainsCapital under the PlainsCapital ABL Credit Facility that is collected by the Debtors in the Main Operating Account will be transferred to the Revolving Priority Account. Subject to the Court’s approval of this Motion and the DIP Motion, the Debtors intend to open a new Account, over which the DIP Agent will have sole dominion and control, at a new bank to replace the function of the existing Term Loan Priority Account with respect to the DIP Facility Proceeds.

E. The U.S. Trustee Guidelines

12. The United States Trustee (the “U.S. Trustee”) has established its *Region VI Guidelines for Debtors in Possession* (the “Guidelines”) in order to supervise the administration of chapter 11 cases. These Guidelines require debtors in possession to, among other things, (a) close all existing bank accounts and open new accounts, including an operating account, a tax account, a payroll account, and, if required by the Court, a cash collateral account and (b) maintain their bank accounts with a depository bank approved by the U.S. Trustee. As explained in further detail below, the Debtors seek a waiver of certain of these requirements in this Motion.

Relief Requested

13. The Debtors request the entry of an order, substantially in the form attached to the motion as **Exhibit A** (the “Order”), (i) authorizing the Debtors to maintain the Bank Accounts and Cash Management System; (ii) granting the Debtors a waiver of certain Guidelines and Section 345(b) of the Bankruptcy Code; and (iii) authorizing continuation of Intercompany Transactions consistent with historical practice, as set forth herein.

Basis for Relief Requested

14. Section 105 of the Bankruptcy Code provides in pertinent part that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Courts have long recognized that the power granted by Section 105(a) was expressly meant to be exercised to effectuate the rehabilitation of the debtor. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 177 (Bankr. S.D.N.Y. 1989) (citing H.R. Rep. No. 595, 95th Cong., 1st Sess. 16 (1977)). The relief requested in this Motion is critical to the Debtors’ successful reorganization and is justified under Section 105(a).

15. Extensive authority supports the relief sought in this Motion. In other chapter 11 cases, courts have recognized that strict enforcement of the Guidelines does not always serve the purposes of Chapter 11. Accordingly, courts have often waived such requirements and replaced them with alternative procedures. *See, e.g., In re CHC Group Ltd., et al.*, Case No. 16-31854 (BJH) (Bankr. N.D. Tex. June 9, 2016) (Second Interim Order (I) Authorizing Debtors to (A) Continue Their Existing Cash Management System, (B) Continue Existing Intercompany Transactions, (C) Maintain Existing Bank Accounts and Business Forms, and (D) Honor Certain Prepetition Obligations Relating to the Use of the Cash Management System, and (II) Granting Extension of Time to Comply with, and Partial Waiver of, Requirements of Section 345(b) of the Bankruptcy Code Pursuant to Sections 105(a), 345(b), 363(c), 364(a), and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004); *In re TPP Acquisition, Inc. d/b/a The Picture People*, Case No. 16-33437-hdh (Bankr. N.D. Tex. Sept. 2, 2016) (granting similar order); *In re Erickson Incorporated*, Case No. 16-34393-hdh (Bankr. N.D. Tex. Nov. 10, 2016) (granting similar order); *In re Cornerstone E&P Company, L.P.*, Case No. 09-35228-bjh (Bankr. N.D. Tex. Aug. 7, 2009) (granting similar order); *In re Manchester, Inc.*, Case No. 08-30703-bjh (Bankr. N.D. Tex. Feb. 19, 2008) (granting similar order); *In re Bombay Co.*, Case No. 07-44084-dml (Bankr. N.D. Tex. Sept. 20, 2007) (granting similar order).

A. Maintaining the Existing Cash Management System is Essential to the Debtors' Restructuring Efforts

16. The Debtors respectfully request authority to maintain their existing Bank Accounts and Cash Management System in accordance with their usual and customary practices to ensure a smooth transition into Chapter 11 with minimal disruption to their reorganization efforts. The Debtors also request authority to close any of the Bank Accounts or open new bank accounts if, in the exercise of their business judgment, the Debtors determine that such action is in the best interest of their estates or if a new bank account is required to comply with an order of this Court, subject to providing prior written notice to Ares and the U.S. Trustee.

17. The Debtors' Cash Management System constitutes an ordinary course, essential business practice providing significant benefits to the Debtors including, among other things, the ability to (i) control funds, (ii) ensure the availability of funds when necessary, and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System may have a severe and adverse impact upon the Debtors' reorganization efforts.

B. Waiver of Conflicting U.S. Trustee Guidelines and Section 345(b) is Warranted

18. The Debtors seek a waiver of the Guidelines to the extent that the requirements of such Guidelines otherwise conflict with (a) the Debtors' existing practices under the Cash Management System or (b) any action taken by the Debtors in accordance with any Order granting this Motion. The use of the Debtors' Cash Management System is an ordinary course, customary, essential business practice. Requiring that the Debtors alter their current practices to comply with certain of the Guidelines would risk disruption to the Debtors' business and be inefficient.

(i) Continued Use of the Bank Accounts, Including the 1st Source Account

19. PlainsCapital is an authorized depository pursuant to the U.S. Trustee's Authorized Depository Listing established for the Northern District of Texas (the "UST Approved Depository List"). Pinnacle and 1st Source are not currently included on the UST Approved Depository List. In the interest of maintaining the continued and efficient operation of the Cash Management System during the pendency of the Chapter 11 Cases, the Debtors request that the Banks, including Pinnacle and 1st Source, be authorized and directed to continue to administer, service, and maintain the Bank Accounts as such accounts were administered, serviced, and maintained prepetition, without interruption and in the ordinary course, and to pay any and all checks, drafts wires, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn on the Bank Accounts on account of a claim arising on or after the Petition Date so long as there are sufficient funds in the relevant Bank Accounts.

20. The Debtors believe that Pinnacle and 1st Source are financially stable banking institutions with the Federal Deposit Insurance Corporation or other appropriate government-guaranteed deposit protection insurance. Requiring the Debtors to change their deposits and other procedures could result in harm to the Debtors, their creditors, and the estates because such change would disrupt the Cash Management System. Conversely, the Debtors' estates and creditors will not be harmed by the Debtors' maintenance of the status quo because of the relatively safe and prudent practices already utilized by the Debtors. Specifically, the 1st Source Money Market Account (XXXX-9610) is subject to the Term Loan Lenders' security interest pursuant to the Term Loan Credit Facility. Both the Bulk Restricted Cash Account at Pinnacle and the 1st Source Money Market Account are inactive.

(ii) Waiver of Requirement to Open New Accounts

21. Pursuant to Section 105 of the Bankruptcy Code, the Debtors request a waiver of the Guidelines to enable the Debtors to maintain and continue to use the Bank Accounts with the same account numbers as are currently employed, including the Accounts at Pinnacle and 1st Source. The Debtors request authorization to: (i) instruct the Banks to add the designation, “Debtor-in-Possession” to their current and any future Accounts; (ii) treat the Accounts for all purposes as Accounts of the Debtors as Debtors-in-Possession; (iii) maintain records that recognize the distinction between prepetition and postpetition transfers; (iv) attach redacted bank statements with respect to any Accounts at Pinnacle or 1st Source to the Debtors’ monthly operating reports; and (v) attach redacted bank statements of any Accounts that are not DIP Accounts opened after the Petition Date to the Debtors’ monthly operating reports. Additionally, the Debtors will add the designation “Debtor-in-Possession” (without abbreviation) to any existing or future checks.

22. The Debtors’ continued use of the Bank Accounts with the same account numbers is necessary for a smooth and orderly transition into Chapter 11, with minimal interference with the Debtors’ restructuring efforts. Requiring the Debtors to open new accounts and obtain checks for those accounts will cause delay and disruption to the Debtors’ businesses.

23. By preserving business continuity and avoiding operational and administrative paralysis that closing the existing Bank Accounts and opening new ones would create, all parties-in-interest will be best served by authorizing the Debtors to maintain their existing Bank Accounts and Cash Management System.

(iii) Waiver of Section 345(b) of the Bankruptcy Code, to the Extent Applicable

24. Section 345(a) of the Bankruptcy Code authorizes deposits of money as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” For deposits or investments that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” Section 345(b) of the Bankruptcy Code requires debtors to obtain, from the entity with which the money is deposited, a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, or “the deposit of securities of the kind specified in section 9303 of title 31,” unless the court “for cause” orders otherwise. 11 U.S.C. § 345(a)–(b).

25. The Debtors believe the Bank Accounts are in financially stable institutions that are insured by the Federal Deposit Insurance Corporation up to the applicable limit. As noted above, PlainsCapital is on the UST Authorized Depository List, and the Accounts with Pinnacle and 1st Source are inactive. To the extent that the requirements of Section 345(b) are inconsistent, or otherwise conflict, with (a) the cash management practices under the Cash Management System or (b) any action taken by the Debtors in accordance with an Order granting the Motion, the Debtors submit that there is justification to waive the requirements of Section 345(b), to the extent applicable, to allow the Debtors to continue their existing cash management practices.

C. Intercompany Transactions

26. Intercompany Transactions are made between and among Debtors in the ordinary course as part of the Cash Management System. The Debtors submit that the Intercompany Transactions are ordinary course transactions within the meaning of Section 363(c)(1) of the Bankruptcy Code and do not require Court approval. Nonetheless, the Debtors are seeking express

authority to engage in such transactions on a postpetition basis. If the Intercompany Transactions were to be discontinued, the Cash Management System and the related administrative controls would be disrupted to the detriment of the Debtors and their estates.

27. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor-in-possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of Section 363(c)(1) of the Bankruptcy Code is to provide a debtor-in-possession with the flexibility to engage in the ordinary course transactions required to operate its business without unneeded oversight by its creditors or the Court. *Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *In re Git-N-Go, Inc.*, 322 B.R. 164, 171 (Bankr. N.D. Okla. 2004); *In re Enron Corp.*, No. 01-16034 (ALG), 2003 WL 1562202, at *15 (Bankr. S.D.N.Y. Mar. 21, 2003); *In re Atlanta Retail, Inc.*, 287 B.R. 849, 856 (Bankr. N.D. Ga. 2002); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of Section 363(c) is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. *Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under Section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, and disbursement, of cash pursuant to their Cash Management System described above, including with respect to Intercompany Transactions.

28. Further, although the Debtors believe that accruing Intercompany Claims is in the ordinary course of the Debtor’s business under Section 363(c)(1) of the Bankruptcy Code, the Debtors request that pursuant to Sections 503(b)(1) and 364(a) of the Bankruptcy Code, all Intercompany Claims against the Debtors after the Petition Date, be afforded administrative

expense priority. This relief will ensure that each individual Debtor will not fund the operations of another entity at the expense of its creditors and will ensure that each entity receiving payments from a Debtor in connection with an Intercompany Transaction will continue to bear ultimate payment responsibility for such Intercompany Transaction.

29. Administrative expense treatment for postpetition intercompany claims has been granted in other large chapter 11 cases in this and other districts. *See, e.g., In re Erickson Incorporated*, Case No. 16-34393 (Bankr. N.D. Tex. Nov. 10, 2019) (Docket No. 41); *In re Energy & Exploration Partners, Inc.*, Case No. 15-44931 (Bankr. N.D. Tex. Dec. 10, 2015) (Docket No. 427); *In re Paragon Offshore PLC*, Case No. 16-10386 (Bankr. D. Del. Feb. 17, 2016) (Docket No. 73); *In re Offshore Group Investment Limited*, Case No. 15-12422 (Bankr. D. Del. Dec. 4, 2015) (Docket No. 45). The Debtors submit that similar relief is warranted in these Chapter 11 Cases.

30. The relief requested in this Motion is vital to ensuring the Debtors' seamless transition into bankruptcy. Authorizing the Debtors to maintain their Cash Management System, as modified, will avoid many of the possible disruptions and distractions that could divert the Debtors' attention from more pressing matters during the initial days of the Chapter 11 Cases.

Request for Waiver of Stay

31. To the extent that the relief sought in this Motion constitutes a use of property under Section 363(b) of the Bankruptcy Code, the Debtors seek a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). Further, the Debtors request that the Court find that the provisions of Bankruptcy Rule 6003 are satisfied. As explained herein, the relief requested in this Motion is immediately necessary for the Debtors to be able to continue to operate their businesses and preserve the value of the estates.

Notice

32. Notice of this Motion will be provided to: (i) the Office of the United States Trustee; (ii) the Debtors' secured creditors; (iii) any party whose interests are directly affected by this specific pleading; (iv) those persons who have formally appeared and requested notice and service in these proceedings pursuant to Bankruptcy Rules 2002 and 3017; (v) counsel for Ares Capital Corporation; (vi) counsel for any official committees appointed by this Court; (vii) the 20 largest unsecured creditors of each of the Debtors; and (viii) all governmental agencies having a regulatory or statutory interest in these cases (collectively, the "Notice Parties"). Based on the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice is required.

Conclusion

WHEREFORE, based on the foregoing, the Debtors respectfully request that the Court (i) grant the Motion, and (ii) grant such other and further relief as is just and proper.

RESPECTFULLY SUBMITTED this 10th day of June, 2020.

HAYNES AND BOONE, LLP

By: /s/ David L. Staab

Stephen M. Pezanosky

State Bar No. 15881850

Ian T. Peck

State Bar No. 24013306

David L. Staab

State Bar No. 24093194

301 Commerce Street, Suite 2600

Fort Worth, TX 76102

Telephone: 817.347.6600

Facsimile: 817.347.6650

Email: stephen.pezanosky@haynesboone.com

Email: ian.peck@haynesboone.com

Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

In re:	§	Chapter 11
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Vista Proppants and Logistics, LLC, et al., ¹	§	Case No. 20-42002-ELM-11
	§	
Debtors.	§	Jointly Administered

**ORDER (I) AUTHORIZING MAINTENANCE OF EXISTING CORPORATE
BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM, (II) WAIVING
CERTAIN U.S. TRUSTEE REQUIREMENTS, AND (III) AUTHORIZING
CONTINUATION OF INTERCOMPANY TRANSACTIONS WITH
SECTION 364(a) ADMINISTRATIVE PRIORITY**

*Upon the Debtors' Amended Emergency Motion for an Order (i) Authorizing Maintenance
of Existing Corporate Bank Accounts and Cash Management System; (ii) Waiving Certain U.S.*

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) ("Vista OpCo"); VPROP Operating, LLC (0269) ("VPROP"); Lonestar Prospects Management, L.L.C. (8451) ("Lonestar Management"); MAALT Specialized Bulk, LLC (2001) ("Bulk"); Denetz Logistics, LLC (8177) ("Denetz"); Lonestar Prospects, Ltd. (4483) ("Lonestar Ltd."); and MAALT, LP (5198) ("MAALT"). The location of the Debtors' service address is 4413 Carey Street, Fort Worth, TX 76119-4219.

Trustee Requirements; and (iii) Authorizing Continuation of Intercompany Transactions with Section 364(a) Administrative Priority (the “Motion”)² of Vista Proppants and Logistics, LLC, *et al.* (collectively, the “Debtors”); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc*, Miscellaneous Rule No. 33 (N.D. Tex. August 3, 1984) (Woodward, H.O.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion; and all objections, if any, to the Motion have been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized to continue using their existing Bank Accounts and Cash Management System as described in the Motion, subject to the limitations in this Order and the terms, conditions, limitations, and requirements of any cash collateral or DIP financing orders that may be entered in the Chapter 11 Cases (together with any approved budgets in connection therewith, the “DIP Financing Orders”).
3. The Debtors shall maintain records of all transfers within the Cash Management System so that all transfers and transactions shall be adequately and promptly documented in, and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

ascertainable from, the Debtors' books and records, to the same extent as maintained prior to the commencement of the Chapter 11 Cases.

Cash Management System and Bank Accounts

4. The Debtors are authorized but not directed to (a) maintain and continue to use the Bank Accounts with the same account numbers, styles, and document forms as are currently employed, (b) deposit funds in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse ("ACH") transfers, drafts, electronic fund transfers, or other items presented, issued or drawn on the Bank Accounts, (c) pay postpetition ordinary course bank fees in connection with the Bank Accounts, (d) perform their obligations under the documents and agreements governing the Bank Accounts, and (e) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

5. The Debtors shall: (i) instruct PlainsCapital Bank, Pinnacle Bank, and 1st Source Bank (collectively, the "Banks") to add the designation, "Debtor-in-Possession" to its current and any future Accounts; (ii) treat the Accounts for all purposes as Accounts of the Debtors as Debtors-in-Possession; (iii) maintain records that recognize the distinction between prepetition and postpetition transfers; (iv) attach redacted bank statements with respect to any Account at Pinnacle Bank or 1st Source Bank to the Debtors' monthly operating reports; and (v) attach redacted bank statements of any Accounts that are not DIP Accounts opened after the Petition Date to the Debtors' monthly operating reports.

6. The Banks are authorized and directed to (a) continue to administer, service, and maintain the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption in the usual and ordinary and (b) pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn

on the Bank Accounts (collectively, the “Debits”) on account of a claim arising on or after the Petition Date so long as there are sufficient cleared funds in the relevant Bank Accounts.

7. The Banks are restrained and prohibited from honoring any Debit presented, issued, or drawn on any Bank Account on account of a claim arising prior to the Petition Date (a “Prepetition Debit”), unless the payment of such claim (a) has been represented by the Debtors to have been authorized by an order of this Court, (b) has been directed by the Debtors and not otherwise prohibited by a “stop payment” request received by the relevant Bank from the Debtors, and (c) is supported by sufficient cleared funds in the relevant Bank Account.

8. Subject to the provisions of this Order, the Banks are authorized and directed to rely on the representations of the Debtors as to which Debits are authorized to be honored or dishonored, whether or not such Debits are dated prior to, on, or subsequent to the Petition Date, and whether or not the Bank believes the payment is authorized by an order of the Court. No Bank shall be liable to the Debtors or their estates, or otherwise held in violation of this Order, for honoring a Prepetition Debit or other Debit at the direction of the Debtors to honor such Prepetition Debit or other Debit. To the extent that the Debtors direct that any Debit be dishonored, the Debtors may issue replacement Debits consistent with the orders of this Court.

9. The Debtors are authorized to implement such changes to the Cash Management System as the Debtors may deem necessary or appropriate, including, without limitation, closing any of the Bank Accounts or opening any additional bank accounts (the “New Accounts”), wherever the Debtors deem that such accounts are needed or appropriate, and whether or not the banks in which such accounts are opened are designated depositories on the U.S. Trustee approved list in the Northern District of Texas and all such New Accounts shall be deemed to be Bank Accounts; provided that (a) any New Account shall be designated a “Debtor in Possession” account by the relevant bank, (b) the Debtors shall provide the U.S. Trustee with notice of the

closing of any existing Accounts and the opening of any New Accounts, and (c) any New Account that is not an Authorized Depository is subject to the \$250,000 FDIC limit. The Banks are authorized to honor the Debtors' requests to open or close (as the case may be) such Bank Account(s). If upon receipt of notice of such New Accounts the U.S. Trustee advises the Debtors that such New Accounts are not Approved Depositories in the Northern District of Texas and/or the parties are not able to reasonably resolve disputes, if any, regarding such New Accounts, the Debtors shall seek approval of the Court pursuant to 11 U.S.C. § 345.

10. Notwithstanding anything in this Order to the contrary, (a) the authority and approvals granted by the terms of this Order to the Debtors, including with respect to any payments authorized hereunder, the opening and closing of Bank Accounts, and continuation of the Cash Management System, shall be in all respects subject to the terms, conditions, limitations, and requirements set forth in the DIP Financing Orders entered in the Chapter 11 Cases and (b) to the extent there is any inconsistency between the terms of such DIP Financing Orders and any action taken or proposed to be taken hereunder, the terms of such DIP Financing Orders shall control.

11. Pursuant to Sections 503(b)(1) and 364(a) of the Bankruptcy Code, postpetition Intercompany Transfers to the extent unpaid shall be afforded administrative expense claim status.

Waiver of U.S. Trustee Guidelines

12. The U.S. Trustee Guideline requiring that the Debtors close all existing Bank Accounts and open new debtor-in-possession accounts is waived to the extent provided herein.

13. The U.S. Trustee Guideline requiring that the Debtors open separate debtor-in-possession accounts for payroll is waived to the extent provided herein.

14. The U.S. Trustee Guidelines requiring that the Debtors open separate debtor-in-possession accounts for the payment of taxes and deposit to such specific tax accounts sufficient

funds to pay any tax liability (when incurred) associated with the Debtors' payroll are waived to the extent provided herein.

15. The Debtors are authorized to continue using check stock in the forms existing immediately prior to the Petition Date but are required to note the Debtors' status of debtors-in-possession on any check issued by spelling out, and not abbreviating, the words "Debtor-in-Possession." In the event that the Debtors generate new checks during the pendency of these Chapter 11 Cases other than from their existing stock of checks, such checks shall include a legend referring to the applicable Debtor as a "Debtor-in-Possession," which shall be spelled out and shall not be abbreviated.

16. To the extent that the requirements set forth in Section 345(b) of the Bankruptcy Code are inconsistent, or otherwise conflict, with (a) the Debtors' cash management practices under the Cash Management System as approved by this Order or (b) any action taken by the Debtors in accordance with this Order, such requirements are and shall be waived; provided, however, that the Debtors shall not place funds in any Bank Account that is not insured by the FDIC.

17. To the extent that the U.S. Trustee Guidelines otherwise conflict with any action taken by the Debtors in accordance with this Order, such Guidelines are waived.

Other Provisions

18. To the extent necessary, the Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied, and the relief requested is necessary to avoid immediate and irreparable harm.

19. To the extent applicable, the requirements of Bankruptcy Rule 6004(a) are waived.

20. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

###END OF ORDER###

Submitted by:

HAYNES AND BOONE, LLP

Stephen M. Pezanosky

State Bar No. 15881850

Ian T. Peck

State Bar No. 24013306

David L. Staab

State Bar No. 24093194

301 Commerce Street, Suite 2600

Fort Worth, TX 76102

Telephone: 817.347.6600

Facsimile: 817.347.6650

Email: stephen.pezanosky@haynesboone.com

Email: ian.peck@haynesboone.com

Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

EXHIBIT B

Cash Management System

Vista Proppants and Logistics
Cash Management System Schematic

