

Stephen M. Pezanosky
State Bar No. 15881850
Matthew T. Ferris
State Bar No. 24045870
David L. Staab
State Bar No. 24093194
Alexandra Kirincic
State Bar No. 24116621
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: matt.ferris@haynesboone.com
Email: david.staab@haynesboone.com
Email: alex.kirincic@haynesboone.com

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.	§	Jointly Administered

**DEBTORS' EXPEDITED APPLICATION FOR AN ORDER UNDER 11 U.S.C. §
327(a) AUTHORIZING THE EMPLOYMENT AND RETENTION OF CERTAIN
CONSULTANTS FOR THE DEBTORS IN POSSESSION**

**AN EXPEDITED HEARING HAS BEEN REQUESTED ON THIS
MATTER ON SEPTEMBER 24, 2020 AT 1:30 P.M. (CT) IN
ROOM 204, U.S. COURTHOUSE, 501 TENTH STREET, FORT
WORTH, TEXAS 76102.**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Vista Proppants and Logistics, LLC (7817) ("Vista HoldCo"); 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.



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’ Expedited Application for an Order Under 11 U.S.C. § 327(a) Authorizing the Employment and Retention of Certain Consultants to the Debtors in Possession* (the “Application”). In support of the Application, the Debtors submit the Declaration of Devon Ackerman (the “Ackerman Declaration”), which is attached hereto as **Exhibit B**, and 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. On June 23, 2020, an official committee of unsecured creditors (the “Committee”) was 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 Application 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”).

Relief Requested

5. By this Application, the Debtors request entry of an order, substantially in the form attached hereto as **Exhibit A**, authorizing the employment and retention of Kroll Associates, Inc. (“Kroll”) and Coveware, Inc. (“Coveware”) as consultants in accordance with the terms and conditions set forth in the master terms and conditions agreement dated August 19, 2020 and the applicable statement of work related thereto (collectively, the “Engagement Letter”).

Basis for Relief Requested

6. The bases for the relief requested herein are sections 327(a) and 328(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rule 2014 and Bankruptcy Local Rule 2014.

7. Section 327(a) of the Bankruptcy Code provides that a debtor, subject to Court approval:

[M]ay employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [debtor]’s duties under this title. 11 U.S.C. § 327(a).

8. Section 101 of the Bankruptcy Code defines “disinterested person” as a person that:

is not a creditor, an equity security holder, or an insider; [or] is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of Debtor; and...does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, Debtor, or for any other reason. *Id.* at § 101(14)(A)–(C).

9. Section 328(a) of the Bankruptcy Code provides that a debtor-in-possession may, with the Court’s approval, employ a professional “on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a).

10. The Debtors seek to employ and retain Kroll and Coveware as consultants to provide services to the Debtors with respect to certain specialized matters.

11. To the best of the Debtors’ information and belief, neither Kroll nor Coveware represent or hold any interest adverse to the Debtors’ estates with respect to the matters on which they are to be employed. Any relevant connections to the Debtors, the Debtors’ estates, creditors and/or other parties to these Chapter 11 Cases, or their respective attorneys, are disclosed in the Ackerman Declaration.

12. The Debtors believe Kroll and Coveware are well-qualified and uniquely able to provide certain consulting services, and that such services are in the best interest of the Debtors’ estates and all parties in interest.

Professional Compensation

13. The Engagement Letter provides for certain fees and expense reimbursements. The Debtors request that Kroll and Coveware be compensated in accordance with the terms of the Engagement Letter without being required to file fee applications with the Court.

14. The Debtors respectfully submit that the fee, expense reimbursement, and other provisions contained in the Engagement Letter, viewed in conjunction with the other terms of Kroll

and Coveware's proposed retention, are reasonable and in the best interests of the Debtors, their estates, and all parties in interest.

15. Pursuant to section 329 of the Bankruptcy Code, Kroll and Coveware have not received a retainer for work to be performed under the Engagement Letter and did not receive any payments from the Debtors in the one-year period prior to the Petition Date.

16. Kroll's and Coveware's compliance with the requirements of sections 327, 328, 329, and 504 of the Bankruptcy Code, Bankruptcy Rule 2014, as well as the Bankruptcy Local Rules, is set forth in detail in the Ackerman Declaration.

17. For the reasons set forth above, the Debtors submit that retention and employment of Kroll and Coveware is necessary and in the best interests of the Debtors and their estates.

Notice

18. Notice of this Application will be provided to the parties listed on the Debtors' service list in accordance with the Order Granting Complex Chapter 11 Bankruptcy Case Treatment (collectively, the "Notice Parties").

WHEREFORE, the Debtors respectfully requests entry of an order (i) approving this Application; and (ii) granting such other relief as is just and proper.

RESPECTFULLY SUBMITTED this 16th day of September, 2020.

Vista Proppants and Logistics, *et al.*

/s/ Gary Barton

Name: Gary Barton

Title: Chief Restructuring Officer

HAYNES AND BOONE, LLP

By: /s/ David L. Staab

Stephen M. Pezanosky

State Bar No. 15881850

Matthew T. Ferris

State Bar No. 24045870

David L. Staab

State Bar No. 24093194

Alexandra Kirincic

State Bar No. 24116621

301 Commerce Street, Suite 2600

Fort Worth, TX 76102

Telephone: 817.347.6600

Facsimile: 817.347.6650

Email: stephen.pezanosky@haynesboone.com

Email: matt.ferris@haynesboone.com

Email: david.staab@haynesboone.com

Email: alex.kirincic@haynesboone.com

ATTORNEYS FOR DEBTORS

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that on September 16, 2020, counsel for the Debtors contacted (i) counsel for Ares Capital Corporation, (ii) counsel for the Committee, and (iii) counsel for the Office of the US Trustee regarding the Application. Each of the parties are engaged in ongoing review of the Application and all of their respective rights are reserved. In addition, Ares Capital Corporation and the Committee both consent to expedited consideration of the Application at the requested hearing date of September 24, 2020, at 1:30 p.m.

/s/ David L. Staab

David L. Staab

Exhibit A

Proposed Order

**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.	§	Jointly Administered

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION
OF CERTAIN CONSULTANTS TO THE DEBTORS IN POSSESSION**

Upon the *Debtors' Expedited Application for an Order Under 11 U.S.C. § 327(a)*
Authorizing the Employment and Retention of Certain as Special Consultants to the Debtors in

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Vista Proppants and Logistics, LLC (7817) ("Vista HoldCo"); 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.

Possession (the “Application”)² of Vista Proppants and Logistics, LLC, *et al.* (collectively, the “Debtors”); and the Court having jurisdiction to consider the Application 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); and consideration of the Application 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 Application having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Application; and the Court having held a hearing on the Application; and all objections, if any, to the Application have been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Application 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,

IT IS HEREBY ORDERED THAT:

1. The Application is approved on a final basis as set forth herein.
2. The Debtors are hereby authorized to retain Kroll and Coveware as consultants to the Debtors in these Chapter 11 Cases in accordance with (and on the terms described in) the Application, the Engagement Letter, and this Order, and Kroll and Coveware are authorized to perform the services described therein.
3. The Debtors or third parties, as applicable, are authorized to pay, reimburse, and indemnify Kroll and Coveware in accordance with the terms and conditions of, and at the times

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

specified in, the Engagement Letter without the need for Kroll and Coveware to file any fee application for allowance of compensation or reimbursement of expenses.

4. The requirements of section 329 of the Bankruptcy Code have been satisfied.

5. If any supplemental declarations or affidavits are filed and served after the entry of this Order, absent any objections filed within twenty (20) days after the filing and service of such supplemental declarations or affidavits, Kroll's and Coveware's employment shall continue as authorized pursuant to this Order.

6. In the event of any inconsistency between the Engagement Letter, the Application, and this Order, this Order shall govern.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

8. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application, and the requirements of the Bankruptcy Rules are satisfied by such notice.

9. Notwithstanding anything in this Order to the contrary, (a) payments authorized by, and any authorizations contained in, this Order are subject to the terms, conditions, limitations, and requirements of the *Final Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 363(c), 363(e), 364(c), 364(d)(1) and 364(e) and (B) Utilize Cash Collateral of Prepetition Secured Entities, (II) Granting Adequate Protection to Prepetition Secured Entities, and (III) Granting Related Relief* [Dkt. No. 219] (the "DIP Order") and (b) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

END OF ORDER

Submitted by:

HAYNES AND BOONE, LLP

Stephen M. Pezanosky

State Bar No. 15881850

Matthew T. Ferris

State Bar No. 24045870

David L. Staab

State Bar No. 24093194

Alexandra Kirincic

State Bar No. 24116621

301 Commerce Street, Suite 2600

Fort Worth, TX 76102

Telephone: 817.347.6600

Facsimile: 817.347.6650

Email: stephen.pezanosky@haynesboone.com

Email: matt.ferris@haynesboone.com

Email: david.staab@haynesboone.com

Email: alex.kirincic@haynesboone.com

ATTORNEYS FOR DEBTORS

Exhibit B

Ackerman Declaration

**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.	§	Jointly Administered

**DECLARATION OF DEVON ACKERMAN IN SUPPORT OF THE
DEBTORS' EXPEDITED APPLICATION FOR AN ORDER UNDER 11 U.S.C. § 327(a)
AUTHORIZING THE EMPLOYMENT AND RETENTION OF CERTAIN
CONSULTANTS TO THE DEBTORS IN POSSESSION**

I, Devon Ackerman, being duly sworn, state the following under penalty of perjury:

1. I am a managing director of Kroll Associates, Inc. ("Kroll"). I submit this declaration in support of the *Debtors' Expedited Application for an Order Under 11 U.S.C. § 327(a) Authorizing the Employment and Retention of Certain Consultants to the Debtors in Possession* (the "Application")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. The Debtors seek to retain Kroll Associates, Inc. ("Kroll") and Coveware, Inc. ("Coveware") as consultants to the Debtors in these Chapter 11 Cases. To the best of my information and belief, neither Kroll nor Coveware represent or hold any interest adverse to the Debtors or to the Debtors' estates with respect to the matters on which Kroll and Coveware are to be employed.

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Vista Proppants and Logistics, LLC (7817) ("Vista HoldCo"); 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.

² Capitalized terms not otherwise defined herein shall have the meanings set forth in the Application.

Compensation Matters.

3. The Engagement Letter provides that Kroll and Coveware shall be entitled to certain fees and reimbursement of actual, necessary expenses. I believe the fee, expense reimbursement, and other provisions contained in the Engagement Letter, viewed in conjunction with the other terms of Kroll and Coveware's proposed retention, are reasonable and in the best interests of the Debtors, their estates, and all parties in interest.

4. Kroll and Coveware have not received a retainer for work to be performed under the Engagement Letter and did not receive any payments from the Debtors in the one-year period prior to the Petition Date.

5. No promises have been received by Kroll or Coveware, nor any professional thereof, as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Except as permitted under section 504(b)(1) of the Bankruptcy Code, Kroll and Coveware have no agreements with any other entities to share with such entities any compensation received by Kroll and Coveware in connection with the Chapter 11 Cases, nor will any be made.

6. Kroll and Coveware will review their files periodically during the pendency of these Chapter 11 Cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If Kroll or Coveware discover any new relevant facts or relationships, Kroll and Coveware will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct.

Dated: September 16, 2020

Respectfully submitted,

/s/ Devon Ackerman

Devon Ackerman

Managing Director

Kroll Associates, Inc.

55 East 52nd Street

New York New York 10055

Telephone: 201.463.6897

Email: devon.ackerman@kroll.com