

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: Chapter 11
HI-CRUSH INC., et al.,1 Case No. 20-33495 (DRJ)
Debtors. (Jointly Administered)

NOTICE OF FILING OF SECOND
PLAN SUPPLEMENT FOR THE JOINT PREPACKAGED
PLAN OF REORGANIZATION FOR HI-CRUSH INC. AND ITS
AFFILIATE DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed on September 11, 2020, the Notice of Filing of Plan Supplement for the Joint Plan of Reorganization for Hi-Crush Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 365] (the "First Plan Supplement") with the United States Bankruptcy Court for the Southern District of Texas (the "Court").

PLEASE TAKE FURTHER NOTICE that, as contemplated by the Joint Plan of Reorganization for Hi-Crush Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 289] (as may be amended, modified, or supplemented from time to time, and including all exhibits and supplements thereto, the "Plan"), the Debtors hereby file this second plan supplement (the "Second Plan Supplement" and, together with the First Plan Supplement, the "Plan Supplement") with the Court. Capitalized terms used but not defined herein have the meanings set forth in the Plan. The Second Plan Supplement includes the following additional exhibits (in each case, as may be amended, modified, or supplemented from time to time):

- Exhibit A Revised New Board Disclosures
Exhibit B Redline to Prior New Board Disclosures

PLEASE TAKE FURTHER NOTICE that these documents remain subject to continuing negotiations in accordance with the terms of the Plan and the Restructuring Support Agreement

1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Hi-Crush Inc. (0530), OnCore Processing LLC (9403), Hi-Crush Augusta LLC (0668), Hi-Crush Whitehall LLC (5562), PDQ Properties LLC (9169), Hi-Crush Wyeville Operating LLC (5797), D & I Silica, LLC (9957), Hi-Crush Blair LLC (7094), Hi-Crush LMS LLC, Hi-Crush Investments Inc. (6547), Hi-Crush Permian Sand LLC, Hi-Crush Proppants LLC (0770), Hi-Crush PODS LLC, Hi-Crush Canada Inc. (9195), Hi-Crush Holdings LLC, Hi-Crush Services LLC (6206), BulkTracer Holdings LLC (4085), Pronghorn Logistics Holdings, LLC (5223), FB Industries USA Inc. (8208), PropDispatch LLC, Pronghorn Logistics, LLC (4547), and FB Logistics, LLC (8641). The Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.



and the final versions may contain material differences from the versions filed herewith. For the avoidance of doubt, the parties thereto have not consented to such document as being in final form and reserve all rights in that regard. The parties reserve all rights to amend, modify, or supplement the Plan Supplement and any of the documents contained therein in accordance with the terms of the Plan and the Restructuring Support Agreement. To the extent material amendments or modifications are made to any of these documents, the Debtors will file a redline version with the Court prior to the Confirmation Hearing.

PLEASE TAKE FURTHER NOTICE that the Plan Supplement is integral to, part of, and incorporated by reference into the Plan. Please note, however, these documents have not yet been approved by the Court. If the Plan is confirmed, the documents contained in the Plan Supplement will be approved by the Court pursuant to the order confirming the Plan.

PLEASE TAKE FURTHER NOTICE that the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”) is scheduled to commence at 2:00 p.m. (prevailing Central Time) on September 23, 2020. The Confirmation Hearing will take place via videoconference.² **The Confirmation Hearing may be continued by the Court or by the Debtors without further notice other than by announcement of same in open court and/or by filing and serving a notice of adjournment.**

PLEASE TAKE FURTHER NOTICE that the copies of the documents included in the Plan Supplement or the Plan, or any other document filed in the Debtors’ Chapter 11 Cases, may be obtained free of charge by contacting the Debtors’ Voting and Claims Agent, Kurtzman Carson Consultants LLC, by: (i) calling the Debtors’ restructuring hotline at 866-554-5810 (US and Canada) or 781-575-2032 (international); (ii) visiting the Debtors’ restructuring website at: <http://www.kccllc.net/hicrush>; and/or (iii) writing to Hi-Crush Claims Processing Center, c/o Kurtzman Carson Consultants LLC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: <http://www.txs.uscourts.gov> or free of charge at <http://www.kccllc.net/hicrush>.

² The Court will utilize GoToMeeting for the hearing. You should download the free GoToMeeting application on each device that will be used to connect to the hearing. If you choose to connect via a web browser, available literature suggests that Chrome is the preferred browser. Please note that connecting through a browser may limit the availability of some GoToMeeting features. To connect to the hearing, you should enter the meeting code “JudgeJones”. You can also connect using the link on Judge Jones’ homepage on the Southern District of Texas website. Once connected to GoToMeeting, click the settings icon in the upper right corner and enter your name under the personal information setting. In either event, audio for the Confirmation Hearing will be available by using the Court’s regular dial-in number. The dial-in number is +1 (832) 917-1510. You will be responsible for your own long-distance charges. You will be asked to key in the conference room number. Judge Jones’ conference room number is 205691.

Dated: September 21, 2020
Houston, Texas

Respectfully Submitted,

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Counsel for Debtors and Debtors-in-Possession

Exhibit A

Revised New Board Disclosures

PLEASE TAKE FURTHER NOTICE that certain documents, or portions thereof, contained in this Exhibit A and the Plan Supplement remain subject to continuing negotiations among the Debtors and interested parties with respect thereto. The Debtors reserve all rights, subject to the terms and conditions set forth in the Plan and the Restructuring Support Agreement, to amend, revise, or supplement the Plan Supplement, and any of the documents and designations contained herein, at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Bankruptcy Court.

Section 1129(a)(5) Disclosures Regarding Directors and Officers

I. DISCLOSURES REGARDING DIRECTORS OF THE REORGANIZED DEBTORS

In accordance with Article V.L of the Plan and consistent with the requirements of section 1129(a)(5) of the Bankruptcy Code, the Debtors hereby disclose the identities and affiliations of the individuals proposed to serve as members of the New Board on and after the Effective Date and the identity of any insiders that will be employed or retained by the Reorganized Debtors as well as the nature of any compensation for such insiders.

- ***Colin Leonard*** – Mr. Leonard is a Partner and Managing Director at Clearlake Capital Group, L.P. Mr. Leonard previously served as an investment professional at HBK Investments L.P. where he focused on distressed investments in the industrials and transportation/logistics sectors. Mr. Leonard currently serves on the Board of Directors of several companies, including Gravity, IXS, Janus International, Knight Energy Services, Smart Sand, Unifrax, and Wheel Pros. He also serves on the Board of Directors of the Boys & Girls Club of Venice.
- ***Brad Kottman*** – Mr. Kottman is a Senior Associate at Clearlake Capital Group, L.P. Mr. Kottman previously served as an investment professional at Trilantic Capital Partners where he was involved in all aspects of the investment process including due diligence of investment opportunities, as well as managing and monitoring portfolio companies. Before that, Mr. Kottman was an investment banker in the Global Energy Group at Citi.
- ***Jacob Mercer*** – Mr. Mercer is a Partner and the Head of Restructuring and Special Situations at Whitebox Advisors LLC. Mr. Mercer previously served as Assistant Treasurer and Managing Director at Xcel Energy. Before joining Xcel Energy, he was a Senior Credit Analyst and Principal at Piper Jaffray and a Research Analyst at Voyageur Asset Management. Mr. Mercer also served as a logistics officer in the United States Army. Mr. Mercer has served on a number of boards of directors including A.M. Castle, Ceres Global Ag, Currax Pharmaceuticals, GT Advanced Technologies, Hycroft Mining, Jerritt Canyon Gold, Par Pacific, Piceance Energy, SAExploration, and White Forest Resources.
- ***Marcus Rowland*** – Mr. Rowland is the Founder and Senior Managing Director of IOG Capital, LP where he leads the company's investment team. Mr. Rowland previously served as the Chief Executive Officer at FTS International, Inc. (formerly Frac Tech International, LLC) from May 2011 until November 2012, and as the President and Chief Financial Officer of Frac Tech Services, LLC and Frac Tech International, LLC from November 2010 to May 2011. Mr. Rowland also served as the Chief Financial Officer or equivalent positions of Chesapeake Energy Corporation from 1993 until October 2010. Mr. Rowland serves on a number of private and public boards, including as Chairman of the Board for SilverBow Resources, and Chairman of the Board for Chaparral Energy, Inc. He is also on the board of Mitcham Industries, Inc. and Key Energy Services, Inc.
- ***Robert E. Rasmus*** – Mr. Rasmus is a co-founder of Hi-Crush Proppants LLC and currently serves as Chairman and Chief Executive Officer of Hi-Crush Inc. Mr. Rasmus was a

founding member of Red Oak Capital Management LLC (“**ROCM**”) in June 2002 and has served as Managing Director since inception. Prior to the founding of ROCM, Mr. Rasmus was the President of Thunderbolt Capital Corp., a venture firm focused on start-up and early stage private equity investments. Previously, Mr. Rasmus started, built and expanded a variety of domestic and international capital markets and corporate finance businesses. Mr. Rasmus was the Senior Managing Director of Banc One Capital Markets, Inc. (formerly First Chicago Capital Markets, Inc.) where he was responsible for the high yield and private placement businesses while functioning as a member of the management committee. Prior thereto, Mr. Rasmus was the Managing Director and Head of Investment Banking in London for First Chicago Ltd. Mr. Rasmus holds a BA in Government and International Relations from the University of Notre Dame.

The above listed individuals will be members of the New Board. On and after the Effective Date, the future selection of board members and director compensation will be determined in accordance with the applicable Amended/New Organizational Documents and constituent documents.

II. DISCLOSURES REGARDING OFFICERS OF THE REORGANIZED DEBTORS AND NATURE OF COMPENSATION

Subject to and in accordance with the terms and conditions of Article VI.G of the Plan, the existing officers of the Debtors as of the Petition Date shall remain in their current capacities as officers of the Reorganized Debtors on and after the Effective Date, subject to the ordinary rights and powers of the New Board to remove or replace such officers in accordance with the Amended/New Organizational Documents and any applicable employment agreements. The nature of compensation for such officers shall continue in such form as existing immediately prior to the Effective Date, except with respect to such officer’s participation in the New Management Incentive Plan to be established by the New Board consistent with Article V.H of the Plan.

Exhibit B

Redline to Prior New Board Disclosures

PLEASE TAKE FURTHER NOTICE that certain documents, or portions thereof, contained in this Exhibit B and the Plan Supplement remain subject to continuing negotiations among the Debtors and interested parties with respect thereto. The Debtors reserve all rights, subject to the terms and conditions set forth in the Plan and the Restructuring Support Agreement, to amend, revise, or supplement the Plan Supplement, and any of the documents and designations contained herein, at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Bankruptcy Court.

~~Exhibit C~~

Exhibit A

Revised New Board Disclosures

PLEASE TAKE FURTHER NOTICE that certain documents, or portions thereof, contained in this Exhibit A and the Plan Supplement remain subject to continuing negotiations among the Debtors and interested parties with respect thereto. The Debtors reserve all rights, subject to the terms and conditions set forth in the Plan and the Restructuring Support Agreement, to amend, revise, or supplement the Plan Supplement, and any of the documents and designations contained herein, at any time before the Effective Date of the Plan, or any such other date as may be provided for by the Plan or by order of the Bankruptcy Court.

Section 1129(a)(5) Disclosures Regarding Directors and Officers

I. ~~Disclosure~~DISCLOSURES REGARDING DIRECTORS OF THE REORGANIZED DEBTORS

~~On and as of the Effective Date, the existing boards of directors and other governing bodies of the Debtors will be deemed to have resigned in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity. The initial New Board shall be selected in accordance with the terms of the New Stockholders Agreement.~~

In accordance with Article V.L of the Plan and consistent with the requirements of section 1129(a)(5) of the Bankruptcy Code, ~~to the extent known,~~ the Debtors will hereby disclose ~~at or before the Confirmation Hearing~~ the identities and affiliations of the remaining individuals proposed to serve as members of the New Board. ~~To the extent any director is an "insider" under the Bankruptcy Code,~~ on and after the Effective Date and the identity of any insiders that will be employed or retained by the Reorganized Debtors as well as the nature of any compensation ~~to be paid to such director will also be disclosed.~~ Each director and officer of the Reorganized Debtors shall serve from for such insiders.

- Colin Leonard – Mr. Leonard is a Partner and Managing Director at Clearlake Capital Group, L.P. Mr. Leonard previously served as an investment professional at HBK Investments L.P. where he focused on distressed investments in the industrials and transportation/logistics sectors. Mr. Leonard currently serves on the Board of Directors of several companies, including Gravity, IXS, Janus International, Knight Energy Services, Smart Sand, Unifrax, and Wheel Pros. He also serves on the Board of Directors of the Boys & Girls Club of Venice.
- Brad Kottman – Mr. Kottman is a Senior Associate at Clearlake Capital Group, L.P. Mr. Kottman previously served as an investment professional at Trilantic Capital Partners where he was involved in all aspects of the investment process including due diligence of investment opportunities, as well as managing and monitoring portfolio companies. Before that, Mr. Kottman was an investment banker in the Global Energy Group at Citi.
- Jacob Mercer – Mr. Mercer is a Partner and the Head of Restructuring and Special Situations at Whitebox Advisors LLC. Mr. Mercer previously served as Assistant Treasurer and Managing Director at Xcel Energy. Before joining Xcel Energy, he was a Senior Credit Analyst and Principal at Piper Jaffray and a Research Analyst at Voyageur Asset Management. Mr. Mercer also served as a logistics officer in the United States Army. Mr. Mercer has served on a number of boards of directors including A.M. Castle, Ceres Global Ag, Currax Pharmaceuticals, GT Advanced Technologies, Hycroft Mining, Jerritt Canyon Gold, Par Pacific, Piceance Energy, SAExploration, and White Forest Resources.

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The above listed individuals will be members of the New Board. On and after the Effective Date ~~pursuant to applicable law and the terms of,~~ the future selection of board members and director compensation will be determined in accordance with the applicable Amended/New Organizational Documents and ~~other~~ constituent documents.

II. ~~Disclosure~~ DISCLOSURES REGARDING OFFICERS OF THE REORGANIZED DEBTORS AND NATURE OF COMPENSATION

Subject to and in accordance with the terms and conditions of Article VI.G of the Plan, the ~~Debtors’~~ existing officers ~~will continue with~~ of the Debtors ~~through~~ as of the Petition Date shall remain in their current capacities as officers of the Reorganized Debtors on and after the Effective Date ~~in their current roles and receive compensation consistent with the Debtors’ current practices. After the Effective Date, the appointment of officers and executives of the Reorganized Debtors shall be governed by the applicable,~~ subject to the ordinary rights and powers of the New Board to remove or replace such officers in accordance with the Amended/New Organizational Documents, ~~subject to (a) the terms and conditions thereof and the Restructuring Support Agreement and (b) the approval of~~ and any applicable employment agreements. The nature of compensation for such officers shall continue in such form as existing immediately prior to the Effective Date, except with

respect to such officer's participation in the New Management Incentive Plan to be established by the New Board consistent with Article V.H of the Plan.

Summary report:	
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Intelligent Table Comparison: Active	
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Modified filename: 14025391_5_HCR - Plan Supplement - D&O Disclosures (PW Draft 9.17.20).DOCX	
Changes:	
Add	32
Delete	20
<i>Move From</i>	0
<i>Move To</i>	0
Table Insert	0
Table Delete	0
<i>Table moves to</i>	0
<i>Table moves from</i>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
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