

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

In re:

EXIDE TECHNOLOGIES,

Reorganized Debtor.

Chapter 11

Case No. 13-11482 (KJC)

**SIXTH QUARTERLY REPORT
OF THE VERNON TORT CLAIMS TRUST**

Craig R. Jalbert, CIRA, as trustee (the “Trustee”) of the Vernon Tort Claims Trust (the “Trust”), hereby submits this sixth quarterly report (the “Quarterly Report”) for the quarter ended December 31, 2016 (the “Reporting Period”).¹ The Trustee respectfully submits as follows:

BACKGROUND

1. On June 20, 2013, Exide Technologies (the “Debtor” or “Reorganized Debtor,” as applicable) filed its petition for relief under Chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. On March 27, 2015, the Debtor filed its *Fourth Amended Plan of Reorganization of Exide Technologies* [D.I. 3409]. On the same date, the Court entered its *Findings of Fact, Conclusions of Law and Order Confirming Fourth Amended Plan of Reorganization of Exide Technologies* [D.I. 3423].

3. On April 10, 2015, the Ad Hoc Group of Exide Tort Claimants (the “Ad Hoc Group”) filed the *Motion for Order: (I) Approving Proposed Vernon Tort Claims Trust Agreement; (II) Approving Appointment of Vernon Tort Claims Trustee and Settlement*

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Fourth Amended Plan of Reorganization of Exide Technologies and/or the Vernon Tort Claims Term Sheet, as applicable.

Administrator; and (III) Granting Related Relief [D.I. 3496], pursuant to which the Ad Hoc Group sought, *inter alia*, approval of the Vernon Tort Claims Trust Agreement (the “Trust Agreement”).

4. On May 20, 2015, the Court entered its Order approving the Trust Agreement [D.I. 3681]).

5. Pursuant to the Trust Agreement, the Trustee is required to file quarterly reports with the Court. Trust Agreement § 7.04.

6. On November 16, 2015, the Trustee filed the *First Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4556].

7. On February 16, 2016, the Trustee filed the *Second Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4639].

8. On March 31, 2016, the Trustee filed the *Annual Report of the Vernon Tort Claims Trust* [D.I. 4660].

9. On May 16, 2016, the Trustee filed the *Third Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4672].

10. On August 15, 2016, the Trustee filed the *Fourth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4691].

11. On November 17, 2016, the Trustee filed the *Fifth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4730].

QUARTERLY REPORT OF THE VERNON TORT CLAIMS TRUST

A. Summary Of Significant Activities Related To The Trust.

12. In accordance with the Vernon Tort Claims Term Sheet, the Trust continues to proceed with the Recovery Litigation.

13. On August 8, 2016, Allied World National Assurance Company (“Allied”) filed a complaint for declaratory judgment (as may be amended, the “Allied Complaint”) in the United States District Court for the District of Delaware (the “Delaware District Court”), naming, among other defendants, the Trustee, in his capacity as such. The Trustee has not consented to the jurisdiction of the Delaware District Court with respect to the Allied Complaint, has not consented to the sufficiency of Allied’s purported service of process, and has reserved all rights and defenses with respect to the foregoing.

14. On November 16, 2017, Allied and the Trustee entered into a stipulation (the “Stipulation”) to mediate the matters alleged in the Allied Complaint. As set forth in the Stipulation, notwithstanding the Trustee’s entry into the Stipulation, the Trustee shall not be deemed to: (a) consent to the jurisdiction of the Delaware District Court; (b) waive the right to challenge the jurisdiction of the Delaware District Court; (c) waive the right to seek a jury trial; or (d) waive any and all other defenses and rights, which were expressly reserved by the Trustee without prejudice, including, without limitation, the following defenses: (i) lack of subject-matter jurisdiction; (ii) lack of personal jurisdiction; (iii) improper venue; (iv) forum non conveniens; (v) insufficient process; (vi) insufficient service of process; (vii) failure to state a claim upon which relief can be granted; and (viii) failure to join a party under Fed R. Civ. P. 19.

15. On November 17, 2016, the Delaware District Court entered an Order approving the Stipulation.

16. On November 8, 2016, XL Insurance Company, Inc. (“XL”) filed a complaint for declaratory judgment (as may be amended, the “XL Complaint”) in the United States District Court for the Central District of California (the “California District Court”), naming, among other defendants, the Trustee, in his capacity as such.

17. On December 30, 2016, XL and the Trustee entered into a stipulation extending the deadline for the Trustee to respond to the XL Complaint to January 24, 2017.

B. Accounting And Unaudited Financial Information.

18. Attached hereto as Exhibit A is selected unaudited financial information with respect to the Trust covering the Reporting Period.

**C. Summary Of Vernon Tort Claims
For Which Payment Or Distributions Have Been Made.**

19. During the Reporting Period, the Trust did not make any payments or distributions with respect to any Vernon Tort Claims.

NOTICE

20. Notice of this Quarterly Report has been provided to: (i) counsel to the Reorganized Debtor; (ii) the Office of the United States Trustee; and (iii) all parties who requested notice pursuant to the *Order Establishing Noticing Procedures in Connection with Administering the Vernon Tort Claims Trust* [D.I. 4268]. The Trustee submits that no other or further notice is necessary.

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Dated: February 17, 2017
Wilmington, Delaware

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*Counsel to Trustee of the
Vernon Tort Claims Trust*

EXHIBIT A

(FINANCIAL INFORMATION)

Exide/Vernon Trust								
Cash Receipts and Disbursement Inception to December 31, 2016 and Cash on Hand and Unpaid Liabilities								
	Type	Date	Num	Name	Memo	Class	Amount	
Receipts	Deposit	05/26/2015		Vernon Trust	Vernon/Exide	Vernon/Exide	\$ 2,675,000.00	
Cash Disbursements								
Bank Service Charge	Check	05/26/2015	EFT	Citizens Bank	In-coming wire fee-Vernon Trust	Vernon/Exide	\$ (18.00)	
	Check	06/02/2015	Eft	Citizens Bank	Out-going wire to Brown Rudnick	Vernon/Exide	\$ (30.00)	
	Check	06/02/2015	Eft	Citizens Bank	Out-going wire to The Rosner Law Group, LLC	Vernon/Exide	\$ (30.00)	
	Check	06/02/2015	Eft	Citizens Bank	Wire to Gray & Company, LLC	Vernon/Exide	\$ (30.00)	
	Check	06/02/2015	Eft	Citizens Bank	Wire to Blau & Associates, P.C.	Vernon/Exide	\$ (30.00)	
	Check	11/19/2015	EFT	Citizens Bank	Stop payment fees	Vernon/Exide	\$ (35.00)	
Total Bank Service Charge							\$ (173.00)	
Expense Reimbursement								
	Check	06/02/2015	13683	Girardi Keese	VERNON TRUST/EXIDE	Vernon/Exide	\$ (103,155.17)	
	Check	06/02/2015	13684	The Mandell Law Firm	VERNON TRUST/EXIDE	Vernon/Exide	\$ (27,000.00)	
	Check	06/02/2015	13685	Steven Wolfson	VERNON TRUST/EXIDE	Vernon/Exide	\$ (7,160.00)	
	Check	06/02/2015	Wire	Gray & Company, LLC	Vernon Trust/Exide	Vernon/Exide	\$ (8,894.70)	
	Check	06/02/2015	Wire	Blau & Associates, P.C.	Vernon Trust/Exide	Vernon/Exide	\$ (4,180.00)	
	Check	09/11/2015	13847	The Mandell Law Firm	VERNON TRUST/EXIDE	Vernon/Exide	\$ (28,263.97)	
	Check	09/11/2015	13850	Steven Wolfson	VERNON TRUST/EXIDE	Vernon/Exide	\$ (51,685.31)	
	Check	12/21/2015	14035	Blau & Associates, P.C.	Vernon Trust/Exide File # 400-333	Vernon/Exide	\$ (2,430.00)	
	Check	12/21/2015	14037	Epidemiology Resources	Inv # ER1251-Vernon/Exide	Vernon/Exide	\$ (10,525.00)	
	Check	12/21/2015	14038	SRF Environmental & Health Mgt., Inc.	Acct # 144, Inv# 150814443-Vernon/Exide	Vernon/Exide	\$ (25,900.00)	
	Check	12/21/2015	14036	Steven Wolfson	VERNON/EXIDE-James Dahlgren Medical	Vernon/Exide	\$ (8,750.00)	
Total Expense Reimbursement							\$ (277,944.15)	
Professional Fees								
Retainer	Check	07/21/2015	13776	Gabriel A. Gutierrez	Retainer File # 107415-Vernon/Exide	Vernon/Exide	\$ (10,000.00)	
Legal	Check	06/02/2015	Wire	Brown Rudnick, LLP	Vernon Trust/Exide	Vernon/Exide	\$ (45,891.89)	
	Check	06/02/2015	Wire	The Rosner Law Group, LLC	Vernon Trust/Exide	Vernon/Exide	\$ (35,593.43)	
	Check	07/06/2015	13756	Brown Rudnick, LLP	Matter 32651.0001 Vernon/Exide	Vernon/Exide	\$ (33,514.70)	
	Check	07/06/2015	13757	The Rosner Law Group, LLC	Acct # 1693.00 Vernon Trust/Exide	Vernon/Exide	\$ (15,250.58)	
	Check	07/21/2015	13777	Gabriel A. Gutierrez	File # 107415 10 Hrs @ \$500.00-Vernon/Exide	Vernon/Exide	\$ (5,000.00)	
	Check	09/11/2015	13848	The Rosner Law Group, LLC	Acct # 1693.00, #7089,7208 Vernon Trust/Exid	Vernon/Exide	\$ (17,032.73)	
	Check	09/11/2015	13849	Brown Rudnick, LLP	Vernon Trust/Exide	Vernon/Exide	\$ -	
	Check	09/11/2015	13851	Brown Rudnick, LLP	Vernon Trust/Exide	Vernon/Exide	\$ (29,641.59)	
	Deposit	11/19/2015	13848	The Rosner Law Group, LLC	Add back check # 13848	Vernon/Exide	\$ 17,032.73	
	Check	11/19/2015	13979	The Rosner Law Group, LLC	Acct # 1693.00, #7089,7208 Vernon Trust/Exid	Vernon/Exide	\$ (17,032.73)	
	Check	12/21/2015	14033	Brown Rudnick, LLP	Vernon/Exide Oct-Dec 2015	Vernon/Exide	\$ (39,945.73)	
	Check	12/21/2015	14034	The Rosner Law Group, LLC	Acct # 1693.00, #7372,7442,7545 Vernon/Exid	Vernon/Exide	\$ (6,551.57)	
	Check	05/11/2016	14752	Blau & Associates, P.C.	February #220455	Vernon/Exide	\$ (750.00)	
	Check	05/11/2016	14752	Blau & Associates, P.C.	March # 220651	Vernon/Exide	\$ (3,210.00)	
	Check	05/11/2016	14752	Blau & Associates, P.C.	April 220749	Vernon/Exide	\$ (120.00)	
	Check	05/11/2016	14753	The Rosner Law Group, LLC	Acct # 1693.00, #7626	Vernon/Exide	\$ (1,226.16)	
	Check	05/11/2016	14753	The Rosner Law Group, LLC	# 7779	Vernon/Exide	\$ (530.30)	
	Check	05/11/2016	14753	The Rosner Law Group, LLC	# 7869	Vernon/Exide	\$ (846.72)	
	Check	05/11/2016	14754	Brown Rudnick, LLP	January 692961	Vernon/Exide	\$ (997.87)	
	Check	05/11/2016	14754	Brown Rudnick, LLP	February 694004	Vernon/Exide	\$ (2,057.04)	
	Check	05/11/2016	14754	Brown Rudnick, LLP	April 697276	Vernon/Exide	\$ (7,693.31)	
	Check	05/11/2016	14754	Brown Rudnick, LLP	March 696071	Vernon/Exide	\$ (9,698.00)	
	Check	05/11/2016	14752	Blau & Associates, P.C.	April 220749	Vernon/Exide	\$ (11.44)	
	Check	05/11/2016	14753	The Rosner Law Group, LLC	# 8000.	Vernon/Exide	\$ (79.40)	
Total Legal							\$ (255,642.46)	
Total Cash Disbursements							\$ (543,759.61)	
Net Receipts and Disbursements							\$ 2,131,240.39	
Cash on hand							\$ 2,131,240.39	
Estimated Unpaid Liabilities							\$ 100,000.00	