

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

In re:

EXIDE TECHNOLOGIES,

Reorganized Debtor.

Chapter 11

Case No. 13-11482 (KJC)

**SEVENTH 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 seventh quarterly report (the “Quarterly Report”) for the quarter ended March 31, 2017 (the “Reporting Period”).<sup>1</sup> 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*

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<sup>1</sup> 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].

12. On February 17, 2017, the Trustee filed the *Sixth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4754].

13. On April 3, 2017, the Trustee filed the second *Annual Report of the Vernon Tort Claims Trust* [D.I. 4771].

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

**A. Summary Of Significant Activities Related To The Trust.**

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

15. On January 23, 2017, counsel for the Trustee participated in mediation with counsel for certain insurance carriers in respect of the litigation commenced by Allied World National Assurance Company (“Allied”) in the United States District Court for the District of Delaware (the “Delaware District Court”) and XL Insurance Company, Inc. (“XL”) in the United States District Court for the Central District of California.

16. As previously noted, the Trustee has not consented to the jurisdiction of the Delaware District Court with respect to the complaint filed by Allied, 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. Also as previously noted, Allied and the Trustee entered into a stipulation pursuant to which the Trustee’s time to answer, move, or otherwise respond to Allied’s complaint was extended to the later of: (a) twenty (20) business days following receipt by the Trustee of written notification from the mediator that negotiations had reached an impasse and the mediation was concluded, and (b) the time to answer, move or otherwise respond provided in the Federal Rules of Civil Procedure (“FRCP”) following proper service of the complaint upon the Trustee.

17. On January 24, 2017, the Trustee filed its answer and affirmative defenses to the complaint filed by XL. On the same day, the Trustee also filed its answers and affirmative defenses to certain cross-claims filed by several other insurance carriers in the proceeding. On February 9, 2017, the parties filed their joint report pursuant to FRCP 26(f) (the “FRCP 26(f)”)

Report”). As set forth in the FRCP 26(f) Report, the parties agreed to exchange their initial disclosures required by FRCP 26(a) by February 28, 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.

*[Remainder of page intentionally left blank.]*

Dated: May 26, 2017  
Wilmington, Delaware

**THE ROSNER LAW GROUP LLC**

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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 March 31, 2017 and Cash on Hand and Unpaid Liabilities										
			Type	Date	Num	Name	Memo	Class	Amount	
<b>Receipts</b>			Deposit	05/26/2015		Vernon Trust	Vernon/Exide	Vernon/Exide	\$ 2,675,000.00	
<b>Cash Disbursements</b>										
			<b>Bank Service Charge</b>	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)	
<b>Expense Reimbursement</b>										
				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)	
<b>Professional Fees</b>										
			<b>Retainer</b>	Check	07/21/2015	13776	Gabriel A. Gutierrez	Retainer File # 107415-Vernon/Exide	Vernon/Exide	\$ (10,000.00)
			<b>Legal</b>	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)
						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)	
<b>Total Cash Disbursements</b>									\$ (543,759.61)	
<b>Net Receipts and Disbursements</b>									\$ 2,131,240.39	
<b>Cash on hand</b>									\$ 2,131,240.39	
<b>Estimated Unpaid Liabilities</b>									\$ 100,000.00	