

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

In re:

EXIDE TECHNOLOGIES,

Reorganized Debtor.

Chapter 11

Case No. 13-11482 (KJC)

**ELEVENTH 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 eleventh quarterly report (the “Quarterly Report”) for the quarter ended September 30, 2018 (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*

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.

Agreement; (II) Approving Appointment of Vernon Tort Claims Trustee and Settlement 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].

14. On May 27, 2017, the Trustee filed the *Seventh Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4787].

15. On November 21, 2017, the Trustee filed the *Eighth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4914].

16. On February 23, 2018, the Trustee filed the *Ninth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 4989].

17. On April 2, 2018, the Trustee filed the *Annual Report of the Vernon Tort Claims Trust* [D.I. 5011].

18. On May 16, 2018, the Trustee filed the *Tenth Quarterly Report of the Vernon Tort Claims Trust* [D.I. 5026].

QUARTERLY REPORT OF THE VERNON TORT CLAIMS TRUST

A. Summary Of Significant Activities Related To The Trust.

19. In accordance with the Vernon Tort Claims Term Sheet, the Trust continues to proceed with the Recovery Litigation. As described previously, the Trustee has filed a complaint in the United States District Court for the Central District of California against certain of the Debtor's insurance carriers seeking, among other things, a judicial determination and declaration as to the Trust's rights and obligations under certain insurance policies issued by the insurance carriers to Exide Technologies and its predecessor, the Debtor. The insurance carriers have filed motions for summary judgment in respect of certain alleged exclusions under the insurance policies. The Trust anticipates filing its reply to the motions for summary judgment on or before November 15, 2018.

20. As previously noted, the Trustee has participated in court-approved mediation with counsel for certain insurance carriers in respect of litigation commenced by Allied World National Assurance Company (“Allied”) in the United States District Court for the District of Delaware. The Trustee, Allied, and the five director defendants have reached a confidential settlement resolving, among other things, Allied’s coverage obligations under its D&O policy. The parties documented the confidential settlement agreement effective as of September 24, 2018. A motion for determination that the settlement agreement was reached in good faith will be filed on or before November 6, 2018 in the California civil actions. A finding of good faith settlement by the California court will trigger, among other things, an obligation to dismiss the Allied lawsuit.

B. Accounting And Unaudited Financial Information.

21. 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.

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

NOTICE

23. 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.

Dated: November 19, 2018
Wilmington, Delaware

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*Counsel to Trustee of the
Vernon Tort Claims Trust*

EXHIBIT A

(FINANCIAL INFORMATION)

1:44 PM
11/08/18
Accrual Basis

V&L DISB
Transaction Detail By Account
As of September 30, 2018

	Type	Date	Num	Name	Memo	Class	Amount
Agent Deposits							
	Deposit	05/26/2015		Vernon Trust	Vernon/Exide	Vernon/Exide	2,675,000.00
Total Agent Deposits							2,675,000.00
Bank							
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
Total Bank							-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/Keane Law Group, 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/Keane Law Group, P.C.	Vernon Trust/Exide File # 400-333	Vernon/Exide	-2,430.00
	Check	12/21/2015	14036	Steven Wolfson	VERNON/EXIDE-James Dahlgren Medical	Vernon/Exide	-8,750.00
Total Expense Reimbursement							-241,519.15
Professional Fees							
Legal							
Retainer							
	Check	07/21/2015	13776	Gabriel A. Gutierrez	Retainer File # 107415-Vernon/Exide	Vernon/Exide	-10,000.00
Total Retainer							-10,000.00
Legal - Other							
	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/Exide	Vernon/Exide	-17,032.73
	Check	09/11/2015	13849	Brown Rudnick, LLP	Vernon Trust/Exide	Vernon/Exide	0.00
	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/Exide	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/Exide	Vernon/Exide	-6,551.57
	Check	05/11/2016	14752	Blau/Keane Law Group, P.C.	-MULTIPLE-	Vernon/Exide	-4,080.00
	Check	05/11/2016	14753	The Rosner Law Group, LLC	-MULTIPLE-	Vernon/Exide	-2,682.58
	Check	05/11/2016	14754	Brown Rudnick, LLP	-MULTIPLE-	Vernon/Exide	-20,446.22
	Check	04/20/2017	15783	Blau/Keane Law Group, P.C.	March 2017	Vernon/Exide	-2,280.00
	Check	04/20/2017	15784	The Rosner Law Group, LLC	-MULTIPLE-	Vernon/Exide	-10,142.69
	Check	04/20/2017	15785	Brown Rudnick, LLP	Client#032651 - 8/2016 through 2/20017	Vernon/Exide	-18,931.37
	Check	09/14/2017	16254	Blau/Keane Law Group, P.C.	Exide File # 400-333, 5/09 thru 9/07	Vernon/Exide	-9,727.95
	Check	09/14/2017	16255	Brown Rudnick, LLP	Client#032651- Vernon Tort - 4/11 thru 9/11	Vernon/Exide	-36,746.27
	Check	10/11/2017	16353	The Rosner Law Group, LLC	-MULTIPLE-	Vernon/Exide	-11,096.49
	Check	10/11/2017	16354	Blau/Keane Law Group, P.C.	Exide File # 400-333, Inv # 223387	Vernon/Exide	-480.00
	Check	10/13/2017	16355	Brown Rudnick, LLP	Client#032651- Vernon Tort - 4/11 thru 9/11	Vernon/Exide	-129,742.47
	Check	12/19/2017	16506	Brown Rudnick, LLP	Client#032651- Vernon Tort -Inv :726321/72441	Vernon/Exide	-9,968.16
	Check	12/19/2017	16507	The Rosner Law Group, LLC	-MULTIPLE-	Vernon/Exide	-4,516.75
	Check	01/10/2018	16538	Blau/Keane Law Group, P.C.	Exide File # 400-333, Inv # 223524	Vernon/Exide	-210.00
	Check	01/10/2018	16539	Brown Rudnick, LLP	Prof. fees- Vernon/ Exide	Vernon/Exide	-1,790.10
	Check	09/18/2018	17199	Brown Rudnick, LLP	Prof. fees- Vernon/ Exide	Vernon/Exide	-32,950.88
Total Legal - Other							-524,214.15

1:44 PM
 11/08/18
 Accrual Basis

V&L DISB
Transaction Detail By Account
 As of September 30, 2018

			Type	Date	Num	Name	Memo	Class	Amount
		Total Legal							-534,214.15
		Other							
			Check	12/21/2015	14037	Epidemiology Resources	Inv # ER1251-Vernon/Exide	Vernon/Exide	-10,525.00
		Total Other							-10,525.00
		Outside Services							
			Check	12/21/2015	14038	SRF Environmental & Health Mgt., Inc.	Acct # 144, Inv# 150814443-Vernon/Exide	Vernon/Exide	-25,900.00
		Total Outside Services							-25,900.00
		Total Professional Fees							-570,639.15
		Reimbursements							
			Check	05/11/2016	14752	Blau/Keane Law Group, P.C.	April 220749	Vernon/Exide	-11.44
		Total Reimbursements							-11.44
		TOTAL							1,862,657.26