

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

In re:)	
)	Chapter 11
)	
VERTEX ENERGY, INC., <i>et al.</i> , ¹)	Case No. 24-90507 (CML)
)	
Debtors.)	(Joint Administration Requested)
)	(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION
FOR ENTRY OF AN ORDER SCHEDULING
HEARINGS AND OBJECTION DEADLINES WITH RESPECT
TO THE DEBTORS' DISCLOSURE STATEMENT AND PLAN CONFIRMATION**

Emergency relief has been requested. Relief is requested not later than 12:30 p.m. (prevailing Central Time) on September 25, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on September 25, 2024, at 12:30 p.m. (prevailing Central Time) in Courtroom 401, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Lopez's conference room number is 590153. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Lopez's homepage. The meeting code is "JudgeLopez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Lopez's homepage. Select the case name, complete the required fields, and click "Submit" to complete your appearance.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.'s corporate headquarters and the Debtors' service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.



The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state as follows in support of this motion (this “Motion”):²

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto (the “Order”), (a) scheduling certain dates and deadlines in connection with the approval of the *Disclosure Statement for the Joint Chapter 11 Plan of Vertex Energy, Inc. and its Debtor Affiliates* (the “Disclosure Statement”) and the confirmation of the *Joint Chapter 11 Plan of Vertex Energy, Inc. and its Debtor Affiliates* (as amended, supplemented, or otherwise modified from time to time, the “Plan”), each of which has been filed contemporaneously herewith, and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Order of Reference to Bankruptcy Judges*, dated May 24, 2012, from the United States District Court for the Southern District of Texas. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent to the Court’s entry of a final order in connection with this Motion.

3. Venue is proper pursuant to 28 U.S.C. § 1408.

4. The bases for the relief requested herein are rules 2002(b) and (d), 3016, 3017, and 3020 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rules 1075-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas

² A description of the Debtors, their businesses, and the facts and circumstances supporting this Motion and the Debtors’ chapter 11 cases are set forth in greater detail in the *Declaration of R. Seth Bullock, Chief Restructuring Officer of Vertex Energy, Inc., in Support of the Debtors’ Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith and incorporated by reference herein. Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declaration.

(the “Bankruptcy Local Rules”), and Rule 38 of the *Procedures for Complex Cases in the Southern District of Texas* (the “Complex Case Procedures”).

Background

5. On the date hereof (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have filed a motion requesting joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

Proposed Schedule

6. On the Petition Date, but before the commencement of these chapter 11 cases, the Debtors and the Consenting Term Loan Lenders entered into a restructuring support agreement (the “Restructuring Support Agreement”), which contemplates an expedient process whereby the Debtors will pursue (a) a standalone recapitalization of the Company’s balance sheet (the “Recapitalization Transaction”); or (b) a sale of all, substantially all, or any portion of the Debtors’ assets through one or more sales (the “Asset Sale”). The transactions contemplated by the Restructuring Support Agreement and the terms thereunder, including the milestones that dictate the outside dates by which the Debtors must file and seek the Court’s approval of certain key documents, are set forth in greater detail in the Plan and the accompanying Disclosure Statement.

7. Having spent several months negotiating with the Consenting Term Loan Lenders, the Debtors are confident that the Plan, and the proposed restructuring transactions contemplated thereunder, best position the Debtors to successfully achieve a value maximizing solution for the

benefit of the Debtors' stakeholders. These milestones contemplated by the Restructuring Support Agreement and the Plan allow the Debtors to move through these chapter 11 cases at a steady, efficient pace, while conducting a market test of the proposed Recapitalization Transaction.

8. To accomplish this goal and comply with the milestones set forth in the Restructuring Support Agreement, the Debtors now seek authority to establish certain key dates and deadlines pursuant to this Order (the dates set forth below, collectively, the "Confirmation Schedule"). The Confirmation Schedule is as follows, provided that the Debtors may seek to amend the Confirmation Schedule, from time to time, as necessary:

- i. ***November 1, 2024 (Petition Date + 38 days), at 4:00 p.m., prevailing Central Time, shall be the deadline by which objections to the Disclosure Statement must be filed with the Court and served so as to be *actually received* by the appropriate notice parties (the "Disclosure Statement Objection Deadline").***
- ii. ***November 8, 2024 (Petition Date + 45 days), or as soon thereafter as the Debtors may be heard, shall be the date for the hearing for the Court's approval of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code (the "Disclosure Statement Hearing").***
- iii. ***December 10, 2024 (Petition Date + 77 days), at 4:00 p.m., prevailing Central Time, shall be the deadline by which (a) objections to the Plan must be filed with the Court and served so as to be actually received by the appropriate notice parties (the "Plan Objection Deadline"), and (b) *all* ballots must be properly executed, completed, and delivered so that they are *actually received* (the "Voting Deadline") by 4:00 p.m., the claims and noticing agent retained by the Debtors in these chapter 11 cases.***
- iv. ***December 17, 2024 (Petition Date + 84 days), or as soon thereafter as the Debtors may be heard, shall be the date and time for the hearing at which the Court will consider confirmation of the Plan (the "Confirmation Hearing").***

9. The Debtors will serve the Order upon its entry advising parties of the Confirmation Schedule in a manner consistent with the Notice of Commencement as described in the *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated Creditor Matrix and a Consolidated List of the 30 Largest Unsecured Creditors, and (B) Redact*

Certain Personally Identifiable Information of Natural Persons; (II) Waiving the Requirement to File a List of Equity Security Holdings; (III) Approving the Form and Manner of Notifying Creditors of the Commencement of these Chapter 11 Cases and Other Information; and (IV) Granting Related Relief filed contemporaneously herewith.

Basis for Relief

I. The Court Should Approve the Disclosure Statement Objection Deadline and the Disclosure Statement Hearing.

10. Rule 38 of the Complex Case Procedures states that “[i]f the debtors file a disclosure statement and plan before the Initial Financing Hearing, then at the Initial Financing Hearing, the Court will set the date for the disclosure statement hearing and related objection deadlines and will consider setting a date for the confirmation hearing and related voting and objection deadlines.” Additionally, Bankruptcy Rules 2002(b), 3016, and 3020 provide that parties in interest must receive twenty-eight (28) days’ notice of the deadline to file objections and the hearing date to approve the Disclosure Statement and the Plan.

11. The Debtors filed the Disclosure Statement and Plan on September 24, 2024, before the initial financing hearing scheduled for September 25, 2024 (the “First Day Hearing”). Therefore, Rule 38 of the Complex Case Procedures permits the Court, at the First Day Hearing, to set the dates for the Disclosure Statement Hearing and the Confirmation Hearing. Importantly, the Debtors’ proposed Disclosure Statement Objection Deadline of November 1, 2024, and Disclosure Statement Hearing on November 8, 2024, are more than twenty-eight (28) days after the First Day Hearing. Although the Debtors have not attached all exhibits to the Disclosure Statement currently on file before the Court, the Debtors propose to file a revised Disclosure Statement incorporating these exhibits prior to the proposed Disclosure Statement Objection Deadline. Therefore, the proposed Disclosure Statement Objection Deadline and Disclosure

Statement Hearing date provide parties in interest with sufficient notice of the Disclosure Statement Hearing and time to object to the Disclosure Statement.

II. The Court Should Approve the Voting Deadline, Plan Objection Deadline, and the Confirmation Hearing Date.

12. As stated previously, Bankruptcy Rules 2002(b), 3016, and 3020 provide that parties in interest must receive twenty-eight (28) days' notice of the deadline to file objections and the hearing date to approve the Plan. Following the Disclosure Statement Hearing the Debtors will work to ensure that notice of the Confirmation Hearing is provided by November 12, 2024, ensuring over twenty-eight (28) days' notice of the Plan Objection Deadline to parties in interest. Therefore, the Debtors' proposed Voting Deadline, Plan Objection Deadline, and Confirmation Hearing all provide the appropriate amount of notice under the Bankruptcy Rules.

13. As set forth in the First Day Declaration, a critical aspect of the Debtors' businesses, and their future success, is their access to liquidity—liquidity that is diminished every day the Debtors remain in chapter 11. Moreover, as stated above, the Restructuring Support Agreement requires certain milestones for emergence from chapter 11. These milestones require that these chapter 11 cases proceed with all due expediency to consummate a value-maximizing transaction.

14. Putting these chapter 11 cases on a prolonged timeline would be value-destructive. Timely confirmation of the Plan and the Debtors' emergence is paramount to maximizing recoveries and preserving value for all parties in interest. The Debtors' proposed Confirmation Schedule affords a full and fair opportunity to market test the Recapitalization Transaction while at the same time ensuring that the Debtors will be able to implement the Recapitalization Transaction or the Asset Sale, as applicable, on a fair and expedited timeline. Accordingly, the Debtors request that the Court approve the Debtors' proposed Voting Deadline, Plan Objection Deadline, and Confirmation Hearing date.

Emergency Consideration

15. The Debtors request emergency consideration of this Motion pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first twenty-one (21) days after the commencement of a chapter 11 case “to the extent that relief is necessary to avoid immediate and irreparable harm,” and Bankruptcy Local Rule 9013-1(i). This Motion requests relief from procedural rules and requirements that pertain to matters of immediate significance or which involve deadlines sooner than twenty-one (21) days after the commencement of these chapter 11 cases. The relief will save costs and avoid undue administrative burden and confusion only if granted immediately. The Debtors have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 and request that the Court approve the relief requested in this Motion on an emergency basis.

Notice

16. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the Consenting Term Loan Lenders; (d) the agent under the Debtors’ Term Loan Facility, and counsel thereto; (e) the agent under the Debtors’ DIP Facility and counsel thereto; (f) counsel to Macquarie; (g) the United States Attorney’s Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the United States Securities and Exchange Commission; (j) the state attorneys general for states in which the Debtors conduct business; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, no other or further notice need be given.

The Debtors request that the Court enter the Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas
September 24, 2024

/s/ Jason G. Cohen

BRACEWELL LLP

Jason G. Cohen (TX Bar No. 24050435)
Jonathan L. Lozano (TX Bar No. 24121570)
711 Louisiana Street, Suite 2300
Houston, Texas 77002
Telephone: (713) 223-2300
Facsimile: (800) 404-3970
Email: jason.cohen@bracewell.com
jonathan.lozano@bracewell.com

-and-

Mark E. Dendinger (*pro hac vice* pending)
31 W. 52nd Street, Suite 1900
New York, NY 10019
Telephone: (212) 508-6100
Facsimile: (800) 404-3970
Email: mark.dendinger@bracewell.com

*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Brian Schartz, P.C. (TX Bar No. 24099361)
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: brian.schartz@kirkland.com

-and-

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

John R. Luze (*pro hac vice* pending)
Rachael M. Bentley (*pro hac vice* pending)
333 West Wolf Point Plaza
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: john.luze@kirkland.com
rachael.bentley@kirkland.com

*Proposed Co-Counsel to the Debtors
and Debtors in Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge.
This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Jason G. Cohen

Jason G. Cohen

Certificate of Service

I certify that on September 24, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Jason G. Cohen

Jason G. Cohen

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

In re:

VERTEX ENERGY, INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 24-90507 (CML)
)
) (Joint Administration Requested)
)
) **Re: Docket No. ____**

**ORDER SCHEDULING HEARINGS AND
OBJECTION DEADLINES WITH RESPECT TO THE
DEBTORS' DISCLOSURE STATEMENT AND PLAN CONFIRMATION**

Upon the emergency motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) scheduling dates and deadlines with respect to the Debtors' Disclosure Statement and Plan confirmation and (b) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.'s corporate headquarters and the Debtors' service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Confirmation Schedule is approved.
2. The deadline to object to the Disclosure Statement is set for **November 1, 2024, at 4:00 p.m., prevailing Central Time.**
3. The hearing to consider approval of the Disclosure Statement shall occur on **November 8, 2024, at __: __ a./p.m., prevailing Central Time.**
4. The deadline to objection to confirmation of the Plan is set for **December 10, 2024, at 4:00 p.m., prevailing Central Time.**
5. The deadline to vote to accept or reject the Plan is set for **December 10, 2024 at 4:00 p.m., prevailing Central Time.**
6. The hearing to consider confirmation of the Plan shall occur on **December 17, 2024, at __: __ a./p.m., prevailing Central Time.**
7. The Debtors may amend the Confirmation Schedule, from time to time, as necessary by filing an appropriate notice on the Court’s docket.
8. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2024

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE