Docket #0029 Date Filed: 9/20/2024

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

FLNG LIQUEFACTION, LLC; FLNG LIQUEFACTION 2, LLC; AND FLNG LIQUEFACTION 3, LLC	§	
Plaintiffs,	§	
v.	§	
	§	**CASE NO. 24-03189**
ZACHRY INDUSTRIAL, INC.; ZACHRY INDUSTRIES, INC.; JVIC DEMERGER FABRICATION, INC.; ZACHRY ENTERPRISE SOLUTIONS DEMERGER, INC.; CB&I LLC; MCDERMOTT INTERNATIONAL LTD., f/k/a CB&I LLC; CHIYODA INTERNATIONAL CORPORATION; and PSRG, INC.	§	
Defendants.	§	

DEFENDANT PSRG, INC.'S ORIGINAL ANSWER

Defendant, PSRG, INC. ("Defendant" or "PSRG"), files this Original Answer to Plaintiffs, FLNG LIQUEFACTION, LLC; FLNG LIQUEFACTION 2, LLC; AND FLNG LIQUEFACTION 3, LLC (collectively "Plaintiffs") Original Petition filed under Cause No. 128933-CV filed in the 239th District Court of Brazoria County, Texas. In support thereof, Defendant would respectfully show the Court as follows:

ADMISSIONS AND DENIALS

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"PARTIES"

1. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 2 of the Complaint and therefore, denies these allegations.

2. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 3 of the Complaint and therefore denies these allegations.

3. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 4 of the Complaint and therefore, denies these allegations.

4. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 5 of the Complaint and therefore, denies these allegations.

5. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 6 of the Complaint and therefore, denies these allegations.

6. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 7 of the Complaint and therefore, denies these allegations.

7. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 8 of the Complaint and therefore, denies these allegations.

8. Defendant is without knowledge or information sufficient to form a belief about

the truth of the allegations contained in paragraph 9 of the Complaint and therefore, denies these allegations.

9. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 10 of the Complaint and therefore, denies these allegations.

10. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 11 of the Complaint and therefore, denies these allegations.

11. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 12 of the Complaint and therefore, denies these allegations.

12. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 13 of the Complaint and therefore, denies these allegations.

13. Defendant admits the allegations contained in paragraph 14 of the Complaint.

"JURISDICTION & VENUE"

14. To the extent that a response is required to paragraph 15 of the Complaint Defendant admits that this Court has supplemental jurisdiction over this case to the extent it has original jurisdiction under 28 U.S.C. §§ 1332(a)(3), 1334(b).

15. To the extent that a response is required to paragraph 16 of the Complaint, Defendant admits that this Court has subject matter jurisdiction.

16. To the extent that a response is required to paragraph 17 of the Complaint, Defendant admits that this Court has personal jurisdiction over Defendant.

17. To the extent that a response is required to paragraph 18 of the Complaint, Defendant admits that venue is proper.

18. To the extent that a response is required to paragraph 19 of the Complaint, Defendant admits that all conditions precedent have occurred, have been performed, or have been waived.

"FACTS"

19. Defendant admits that FLNG is the owner and operation of a liquidated natural gas ("LNG") facility located on Quintana Island near Freeport, Texas. Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 20 of the Complaint and therefore, denies these allegations.

20. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 21 of the Complaint and therefore, denies these allegations.

21. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 22 of the Complaint and therefore, denies these allegations.

22. Defendant admits that a deflagration/explosion and fire occurred on June 8, 2022. Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 23 and therefore, denies these allegations.

23. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 24 and therefore, denies these allegations.

24. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 25 and therefore, denies these allegations.

25. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 26 and therefore, denies these allegations.

26. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 27 and therefore, denies these allegations.

"LIABILITY OF DEFENDANTS"

27. Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 28 of the Complaint and therefore, denies these allegations.

28. Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 29 of the Complaint and therefore, denies these allegations.

29. To the extent that Paragraph 30 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 30 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 30 of the Complaint and therefore, denies these allegations.

30. To the extent that Paragraph 31 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 31 contains factual allegations, Defendant admits it conducted studies of the FLNG systems. Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 31 of the Complaint and therefore, denies these allegations. To the extent Plaintiffs allege this Defendant failed to provide any study other than one in 2016, this Defendant denies such an allegation.

A. Negligence

31. To the extent that Paragraph 32 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 32 of the Complaint and therefore, denies these allegations.

32. To the extent that Paragraph 32(a) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(b) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 50(b) of the Complaint and therefore, denies these allegations.

33. To the extent that Paragraph 32(b) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32(b) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 32(b) of the Complaint and therefore, denies these allegations.

34. To the extent that Paragraph 32(c) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32(c) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 32(c) of the Complaint and therefore, denies these allegations.

35. To the extent that Paragraph 32(d) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32(d) contains factual allegations, Defendant is without knowledge or information sufficient to form a

belief about the truth of the remaining allegations contained in paragraph 32(d) of the Complaint and therefore, denies these allegations.

36. To the extent that Paragraph 32(e) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32(e) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 32(e) of the Complaint and therefore, denies these allegations.

37. To the extent that Paragraph 32(f) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 32(f) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 32(f) of the Complaint and therefore, denies these allegations.

38. To the extent that Paragraph 33 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 33 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 33 of the Complaint and therefore, denies these allegations.

39. To the extent that Paragraph 34 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 34 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 34 of the Complaint and therefore, denies these allegations.

B. Joint And Several Liability

40. To the extent that Paragraph 35 of the Complaint contains a statement of law or

seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 35 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 35 of the Complaint and therefore, denies these allegations.

"DAMAGES"

41. To the extent that Paragraph 36 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 36 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 36 of the Complaint and therefore, denies these allegations.

42. To the extent that Paragraph 36(a) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 36(a) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 36(a) of the Complaint and therefore, denies these allegations.

43. To the extent that Paragraph 36(b) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 36(b) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 36(b) of the Complaint and therefore, denies these allegations.

44. To the extent that Paragraph 36(c) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 36(c) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 36(c) of the Complaint

and therefore, denies these allegations.

45. To the extent that Paragraph 37 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 37 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 37 of the Complaint and therefore, denies these allegations.

46. To the extent that Paragraph 38 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 38 of the Complaint and therefore, denies these allegations.

47. To the extent that Paragraph 38(a) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38(a) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 38(a) of the Complaint and therefore, denies these allegations.

48. To the extent that Paragraph 38(b) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38(b) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 38(b) of the Complaint and therefore, denies these allegations.

49. To the extent that Paragraph 38(c) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38(c) contains factual allegations, Defendant is without knowledge or information sufficient to form a

belief about the truth of the remaining allegations contained in paragraph 38(c) of the Complaint and therefore, denies these allegations.

50. To the extent that Paragraph 38(d) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38(d) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 38(d) of the Complaint and therefore, denies these allegations.

51. To the extent that Paragraph 38(e) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 38(e) contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 38(e) of the Complaint and therefore, denies these allegations.

52. To the extent that Paragraph 39 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant.

53. To the extent that Paragraph 40 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant.

"JURY DEMAND"

54. To the extent that Paragraph 41 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant.

"CERTIFICATE OF MERIT"

55. To the extent that Paragraph 42 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant.

"RULE 193.7 NOTICE"

56. To the extent that Paragraph 43 of the Complaint contains a statement of law or

seeks a legal conclusion, no response is required by Defendant.

"FOR THE COURT'S EYES ONLY"

57. To the extent that Paragraph 44 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 44 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 44 of the Complaint and therefore, denies these allegations.

GENERAL DENIAL

1. Pursuant to Rule 8(b) of the Federal Rules of Civil Procedure, Defendant asserts a general denial to those allegations contained in Plaintiffs' Complaint that are not clearly and specifically admitted herein.

AFFIRMATIVE DEFENSES

2. Defendant asserts that Plaintiffs' claims are barred, in whole or in part, by the defenses set forth below. By setting forth these defenses, Defendant does not assume the burden of proving any fact, issue, or element of a cause of action where such burden properly belongs to Plaintiff. Moreover, nothing herein stated is intended or shall be construed as an acknowledgement that any issue or subject matter is relevant to Plaintiff's allegations. Defendant reserves the right to plead any affirmative defenses that may become evident or appreciated after investigation and discovery in this matter. Defendant asserts the following affirmative defenses:

3. Defendant asserts that Plaintiff' negligence claim is barred, in whole or in part, because Defendant did not violate the applicable standard of care.

4. Defendant asserts that Plaintiff's own actions and/or negligence were the sole cause or alternatively, the proximate cause of the occurrence or incident in question and of any alleged resulting damages.

5. Defendant asserts, pursuant to Rule 94 of the Texas Rules of Civil Procedure, the affirmative defense of contributory negligence, comparative fault, or both. The sole proximate cause or a proximate cause of the occurrence or injury made the basis of this lawsuit was the failure of Plaintiffs to exercise ordinary care under the circumstances.

6. Defendant asserts that the causal connection between Defendant's alleged acts or omissions and the occurrence made the basis of this lawsuit resulted from a separate and independent agency, not reasonably foreseeable, which constitutes the immediate cause of the occurrence made the basis of this lawsuit.

7. Defendant asserts that Plaintiff's negligence claim is barred by the applicable statute of limitations.

8. Defendant asserts the affirmative defense of waiver, estoppel, and/or release.

9. Defendant asserts that, in the event Plaintiffs prove they are entitled to their alleged damages, the damages, if any, were caused by the negligence of responsible third parties who worked on the project as independent contractors, design professionals, laborers, or suppliers.

10. Defendant asserts its right to contribution, indemnity, and comparative responsibility with respect to those parties whose negligence, fault, or both is shown to be a proximate and/or producing cause of the occurrence in question pursuant to Chapters 32 and 33 of the Texas Civil Practice and Remedies Code. To the extent Plaintiffs enter into a settlement with any other party, or collects judgment from any other party, Defendant asserts its right to credit, offset, and reduction pursuant to the laws of the State of Texas.

11. Defendant asserts that the affirmative defense of waiver of consequential damages.

12. Defendant asserts the economic loss doctrine as an affirmative defense.

13. Defendant asserts the affirmative defense of limitation of liability.

PRAYER

For these reasons, Defendant, PSRG, INC., prays that Plaintiffs, FLNG LIQUEFACTION, LLC; FLNG LIQUEFACTION 2, LLC; AND FLNG LIQUEFACTION 3, LLC, take nothing by way of this lawsuit, that Plaintiffs' Complaint be dismissed with prejudice, and that Defendant be awarded its costs and all other and further relief, at law or in equity, to which Defendant may show themselves justly entitled to receive.

Respectfully submitted,

BUSH & RAMIREZ PLLC

/s/ Paul Catalano
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon all parties in accordance with the Federal Rules of Civil Procedure on September 20, 2024.

/s/ Paul Catalano
PAUL CATALANO