Docket #0026 Date Filed: 9/20/2024

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

ALLIANZ GLOBAL RISK US INSURANCE CO.; CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON SUBSCRIBING TO POLICY NO. B0180ME2219036; GREAT LAKES INSURANCE SE; GUIDEONE NATIONAL INSURANCE COMPANY; and TOKIO MARINE AMERICA INSURANCE COMPANY; *as subrogees of FLNG Policy Procurement, LLC; FLNG Liquifaction, LLC; FLNG Liquifaction 2, LLC; and FLNG Liquefaction 3, LLC*	§	
Plaintiffs,	§	**CASE NO. 24-03190**
v.	§	
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, ALLIANZ GLOBAL RISK US INSURANCE CO., CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON SUBSCRIBING TO POLICY NO. B0180ME2219036; GREAT LAKES INSURANCE SE; GUIDEONE NATIONAL INSURANCE COMPANY; and TOKIO MARINE AMERICA INSURANCE COMPANY (collectively "Plaintiffs") Original Petition filed in the 239th District Court, Brazoria County, Texas under Cause No. 128926-CV and transferred to this Court. In

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support thereof, Defendant would respectfully show the Court as follows:

ADMISSIONS AND DENIALS

"PRELIMINARY STATEMENT"

1. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 1 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 2 of the Complaint and therefore, denies these allegations. To the extent that Paragraph 2 contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 2 contains factual allegations, Defendant admits that an explosion and resulting property damage 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 2 and therefore, denies these allegations.

"PARTIES"

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 14 of the Complaint and therefore, denies these allegations.

13. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 15 of the Complaint and therefore, denies these allegations.

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

the truth of the allegations contained in paragraph 16 of the Complaint and therefore, denies these allegations.

15. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 17 of the Complaint and therefore, denies these allegations.

16. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 18 of the Complaint and therefore, denies these allegations.

17. Defendant admits the allegations contained in paragraph 19 of the Complaint.

"JURISDICTION & VENUE"

18. To the extent that a response is required to paragraph 20 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).

19. To the extent that a response is required to paragraph 21 of the Complaint, Defendant admits that this Court has subject matter jurisdiction.

20. To the extent that a response is required to paragraph 22 of the Complaint, Defendant admits that this Court has personal jurisdiction over Defendant.

"FACTUAL BACKGROUND"

21. Defendant admits that there was a construction project involving 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 23 of the Complaint and therefore, denies these allegations.

22. Defendant admits that construction on the Regas Facility started in 2005 and commercial operations began in 2008. Defendant is without knowledge or information sufficient

to form a belief about the truth of the remaining allegations contained in paragraph 24 of the Complaint 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 25 of the Complaint 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 26 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 27 and therefore, denies these allegations.

26. To the extent that Paragraph 28 contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 28 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations and therefore, denies these allegations.

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

28. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 30 and therefore, denies these allegations.

29. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 31 and therefore, denies these allegations.

30. Defendant admits that PSRG a/k/a Process Safety and Reliability Group conducted studies of the FLNG systems.

31. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 33 and therefore, denies these allegations.

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

the truth of the allegations contained in paragraph 34 and therefore, denies these allegations.

33. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 35 and therefore, denies these allegations.

34. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 36 and therefore, denies these allegations.

35. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 37 and therefore, denies these allegations.

36. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 38 and therefore, denies these allegations.

37. Defendant is without knowledge or information sufficient to form a belief about the truth of the allegations contained in paragraph 39 and therefore, denies these allegations.

38. To the extent that Paragraph 40 contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 40 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations and therefore, denies these allegations.

39. Defendant admits that PSRG conducted a study of the FLNG systems in 2016. To the extent Paragraph 41 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations 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.

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

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

42. To the extent that Paragraph 44 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 and therefore, denies these allegations.

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

"CAUSES OF ACTION"

A. Negligence

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

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

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

47. To the extent that Paragraph 49 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 49 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 49 of the Complaint and therefore, denies these allegations.

48. To the extent that Paragraph 50(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(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 50(a) of the Complaint and therefore, denies these allegations.

49. To the extent that Paragraph 50(b) 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.

50. To the extent that Paragraph 50(c) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(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 50(c) of the Complaint

and therefore, denies these allegations.

51. To the extent that Paragraph 50(d) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(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 50(d) of the Complaint and therefore, denies these allegations.

52. To the extent that Paragraph 50(e) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(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 50(e) of the Complaint and therefore, denies these allegations.

53. To the extent that Paragraph 50(f) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(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 50(f) of the Complaint and therefore, denies these allegations.

54. To the extent that Paragraph 50(g) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(g) 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(g) of the Complaint and therefore, denies these allegations.

55. To the extent that Paragraph 50(h) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(h) 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(h) of the Complaint and therefore, denies these allegations.

56. To the extent that Paragraph 50(i) of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 50(i) 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(i) of the Complaint and therefore, denies these allegations.

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

58. To the extent that Paragraph 52 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 52 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 52 of the Complaint and therefore, denies these allegations.

B. Joint And Several Liability

59. To the extent that Paragraph 53 of the Complaint contains a statement of law or seeks a legal conclusion, no response is required by Defendant. To the extent Paragraph 53 contains factual allegations, Defendant is without knowledge or information sufficient to form a belief about the truth of the remaining allegations contained in paragraph 53 of the Complaint and therefore, denies these allegations.

"REQUEST FOR RELIEF"

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

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

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

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

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

"DEMAND FOR JURY"

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

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, ALLIANZ GLOBAL RISK US INSURANCE CO., CERTAIN UNDERWRITERS AT LLOYD'S OF LONDON SUBSCRIBING TO POLICY NO. B0180ME2219036; GREAT LAKES INSURANCE SE; GUIDEONE NATIONAL INSURANCE COMPANY; and TOKIO MARINE AMERICA INSURANCE COMPANY, 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

PAUL CATALANO
State Bar No. 03998400
Federal Bar No. 14894
pcatalano@bushramirez.com
MARSHALL G. ROSENBERG
State Bar No. 12771450
Federal Bar No. 14933
mrosenberg@bushramirez.com
D. ALAN APPLING
State Bar No. 24092043
Federal Bar No. 2792731

aappling@bushramirez.com
5615 Kirby Drive, Suite 900
Houston, Texas 77005
713-626-1555- telephone
713-622-8077 - facsimile
ATTORNEYS FOR DEFENDANT, PSRG, INC.

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