

M-2025-3052793

KTRV, LLC  
c/o Stretto  
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Irvine, CA 92602

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JUN 24 2025 AM 11:40

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PA Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

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JUN 24 2025 AM 11:40

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

In re:

KTRV LLC, *et al.*,

Debtors<sup>1</sup>.

Chapter 11

Case No. 25-10601 (MFW)

(Jointly Administered)

**DECLARATION OF BRIAN RYNIKER, CHIEF RESTRUCTURING  
OFFICER, IN SUPPORT OF THE SALES OF THE DEBTORS' ASSETS  
FREE AND CLEAR OF ALL CLAIMS, LIENS AND ENCUMBRANCES**

I, Brian Ryniker, being duly sworn, hereby state as follows:

1. I am a founding member at RK Consultants LLC. Prior to forming RK Consultants, I provided bankruptcy consulting and forensic services with a top 10 accounting and advisory firm for more than 20 years,

2. I am over 18 years of age. If called as a witness, I could and would competently testify with respect to the matters set forth in this declaration from my own personal knowledge or from knowledge gathered from others within the organization of the above-captioned debtors (the "Debtors") and the Debtors' advisors, my review of relevant documents, or my opinion based upon my experience concerning the Debtors' business and operations.<sup>2</sup>

3. I hereby submit this declaration in support of the Debtors' request for approval of the sale of substantially all of the Debtors' assets free and clear of all claims, liens and

<sup>1</sup> The Debtors in these chapter 11 cases, along with each the last four digits of each Debtor's tax identification number, are as follows: KTRV LLC (9993), Heritage Coal & Natural Resources, LLC (8326). The Debtors' service address is 1521 Concord Pike, Suite 201, Wilmington, DE 19803.

<sup>2</sup> The historical information contained in this Declaration is derived from information provided by the Debtors' management, board and/or advisors.

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encumbrances (the “Sale Motion”) pursuant to which, the Debtors seek approval of the sales of certain assets of the Debtors.

4. On April 23, 2025, the Debtors filed a Motion for Entry of an Order (I) Approving the Bidding Procedures, (II) Authorizing the Debtors to Enter into One or More Stalking Horse Agreements and Provide Bid Protections, (III) Approving the Form and Manner of Sale Notice, (IV) Scheduling an Auction and Sale Hearing, (V) Approving the Procedures for the Assumption and Assignment of Contracts, (VI) Approving the Sale of the Debtors’ Assets Free and Clear, and (VII) Granting Related Relief [Docket No. 156] (the “Bid Procedures Motion”), which sought, among other things, to establish procedures for a sale or sales of the Debtors’ assets (the “Sales”) free and clear of claims, liens, and encumbrances.

5. On May 19, 2025, the Court entered an Order approving the Bidding Procedures [Docket No. 287] (as subsequently amended, the “Bidding Procedures Order”), pursuant to which the Court, among other things, set a deadline for the Debtors to enter into a stalking horse agreement, a bid deadline of June 2, 2025 (the “Bid Deadline”), setting a deadline for an auction (if necessary), setting objection deadlines, and scheduling a sale hearing.

6. Consistent with the Bidding Procedures Order, on May 23, 2025, the Debtors, after consultation with the official committee of unsecured creditors and Bedrock Industries Investco 1 LLC (the “Consultation Parties”) entered into a stalking horse agreement with Nations Capital, LLC (“Nations Cap”) for the sale of all of the Debtors’ equipment for \$19 million (the “Stalking Horse Bid”).

7. Prior to the Bid Deadline, the Debtors received fifteen bids (collectively, the “Bids”) from eight bidders (collectively, the “Bidders”) for their assets, including the Stalking Horse Bid, including (i) a cash bid for certain mining assets and equipment in Maryland, (ii) a cash

bid for certain mining assets in Pennsylvania and equipment in Maryland and Pennsylvania, (iii) a cash bid for certain mining assets and equipment in Pennsylvania and other assets, (iv), multiple cash bids for certain equipment, and (v) multiple credit bids for specific equipment. Each of the Bids was determined by the Debtors, after consultation with the Consultation Parties, to be a qualified bidder. Additionally, the Debtors received a bid from another party, who was not determined to be a qualified bidder.

8. Commencing on June 10, 2025, the Debtors conducted an auction at the offices of Morris James, LLP in Wilmington Delaware, although parties had the option of attending remotely (the "Auction"). The Auction continued through and including June 12, 2025, and included multiple bids by parties.

9. During the course of the Auction, the Debtors, after consultation with the Consultation Parties, authorized certain parties to confer to enable them to submit joint bids for the Debtors' assets.

10. Further, the terms of certain Bids were modified during the Auction, including the addition or subtraction of certain equipment from Bids, as originally submitted, and in one instance, a release of certain estate claims was removed from the Bid.

11. At the conclusion of the Auction, the Debtors, after consultation with the Consultation Parties, determined that the combination of (i) the bid (the "Simkol/Fearless Bid") of Simkol Corp. and Fearless Leasing, LLC ("Simkol/Fearless"), and (ii) the bid (the "Cobra Bid") of Cobra Mining, Incorporated, ("Cobra") were the highest and best bids for the Debtors' assets. Combined, and subject to final documentation, the two bids will provide \$21,651,000 of consideration; plus the assumption of liabilities.

12. The Simkol/Fearless Bid is for \$15,901,000 for 172 pieces of the Debtors' equipment located in Maryland and Pennsylvania, certain equipment inventory, the following mining assets, all located in Pennsylvania: the Debtors' wash plant permit, and the following permits all of which were inclusive of cash collateral related to the Bonds: (i) Summit #2, (ii) Saylor Hill, (iii) Shaw Mines, and (iv) Shaw Tipple. Additionally, the Simkol/Fearless Bid will include the assumption and assignment of the lease of real property in Pennsylvania pursuant to which Simkol/Fearless will pay the underlying cure amount, as agreed upon between Simkol/Fearless and the landlord. The Simkol/Fearless Bid will also provide the Simkol/Fearless with designation rights, by and through which Simkol/Fearless may subsequently request the assumption and assignment of additional executory contracts and leases.

13. The Cobra Bid is for \$5,750,000, for 31 pieces of equipment location in Maryland and the following mining assets located Maryland: (i) Cabin Run Mine and (ii) Carlos Mine inclusive of cash collateral related to the Bonds. Additionally, the Cobra Bid includes the assumption and assignment of the lease of real property in Maryland pursuant to which Cobra will pay the underlying cure amount, as agreed upon between Cobra and the landlord. The Cobra Bid will also provide the Cobra with designation rights by and through which Cobra may subsequently request the assumption and assignment of additional executory contracts and leases.

14. The Debtors, after consultation with the Consultation Parties determined that the back-up bidders (collectively, the "Back-Up Bids") were (i) the Stalking Horse Bid of \$19,000,000 for the Debtors' equipment and equipment inventory, (ii) the bid of RES Coal LLC of \$1,978,971 for the Debtors' wash plant and related equipment, certain owned and leased property, all located in Pennsylvania, certain litigation rights, and the assumption of certain liabilities related to executory contracts and leases, and (iii) the bid of J & J Svonavec Excavating, Inc. in the amount

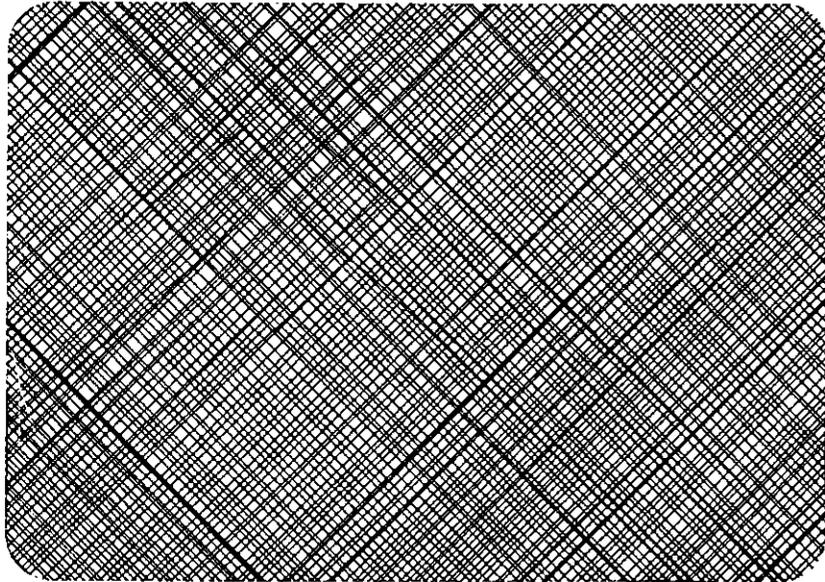
of \$10,000 for the permits for Summit #2 and Saylor Hill inclusive of cash collateral related to the Bonds, plus the assumption of certain liabilities related to executory contracts and leases. The total cash component for the Back-Up Bids was \$20,988,971, not including the liabilities to be assumed.

15. Ultimately, the Debtors, after consultation with the Consultation Parties, determined that the Back-Up Bids were, in the aggregate, lower than the combined value of the bids of Simkol/Fearless and Cobra, both on a cash basis (\$21,651,000 v \$20,988,971), but also based upon the assumption of liabilities, as the pairing of Simkol/Fearless and Cobra provided for the assumption of the Debtors' liabilities in Maryland, whereas the combination of all of the Back-Up Bids did not provide for any assumption of the Debtors' liabilities in Maryland. Significantly, the Simkol/Fearless excluded the waiver of the estates' claims against the affiliates and insiders of Simkol/Fearless.

16. Based upon the foregoing and as an exercise of my business judgment, I believe that the proposed sales to Simkol/Fearless and Cobra are in the best interest of the Debtors, their estates and the Debtors' creditors.

Dated: June 18, 2025

/s/ Brian Ryniker  
Brian Ryniker  
Chief Restructuring Officer



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