

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

In re:)	Chapter 11
)	
Allied Nevada Gold Corp., <i>et al.</i> , ¹)	Case No. 15-10503 (MFW)
)	
Debtors.)	Jointly Administered
)	
)	Hearing Date: Sept. 11, 2015 at 10:00 a.m. ET
)	Objection Deadline: Sept. 4, 2015 at 4:00 p.m. ET
)	
)	Related to Docket Nos. 817, 818, 819 & 820

**RESPONSE OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS
TO MOTION TO APPOINT AN EXAMINER WITH ACCESS TO AND AUTHORITY
TO DISCLOSE PRIVILEGED MATERIALS AND SUPPORTING BRIEFS**

The Official Committee of Equity Security Holders (the “Equity Committee”) of Allied Nevada Gold Corp., et al. (“ANV” and, together with its chapter 11 debtor-affiliates, “Debtors”),² by and through its undersigned counsel, submits this response (the “Response”) to (i) the *Motion to Appoint an Examiner with Access to and Authority to Disclose Privileged Materials* [Docket No. 819] (the “Examiner Motion”) filed by a *pro se* shareholder, Brian Tuttle (the “Movant”), and (ii) certain briefs served in support of the Examiner Motion by Richard Carnegie, James Roberson, Jordan Draga, Thomas Scaramellino, and Ahmad Ellassadi (the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Allied Nevada Gold Corp. (7115); Allied Nevada Gold Holdings LLC (7115); Allied VGH Inc. (3601); Allied VNC Inc. (3291); ANG Central LLC (7115); ANG Cortez LLC (7115); ANG Eureka LLC (7115); ANG North LLC (7115); ANG Northeast LLC (7115); ANG Pony LLC (7115); Hasbrouck Production Company LLC (3601); Hycroft Resources & Development, Inc. (1989); Victory Exploration Inc. (8144); and Victory Gold Inc. (8139). The corporate headquarters for each of the above Debtors are located at, and the mailing address for each of the above Debtors, except Hycroft Resources & Development, Inc., is 9790 Gateway Drive, Suite 200, Reno, NV 89521. The mailing address for Hycroft Resources & Development, Inc. is P.O. Box 3030, Winnemucca, NV 89446.

² All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the *Debtors’ Amended Joint Chapter 11 Plan of Reorganization* dated August 27, 2015 [Docket No. 932] (the “Consensual Plan”).

“Supporting Briefs”).³ In support of this Response, the Equity Committee relies on the Declaration of John Connor and the Declaration of Gregory J. Mascitti and respectfully represents as follows:

1. Since its appointment, the Equity Committee and its counsel have communicated with numerous shareholders through emails and telephone calls. Through these communications, certain shareholders provided the Equity Committee with background information related to a plethora of purported claims against Debtors, Debtors’ directors and officers, and third parties.

2. Based upon these emails and communications, the Equity Committee and its counsel analyzed a multitude of potential claims against Debtors, Debtors’ directors and officers, and third parties, including, without limitation, potential claims related to the allegations set forth in the Examiner Motion. In some instances, the Equity Committee and its counsel determined that the alleged facts did not give rise to any colorable claim against any party. In other instances, the Equity Committee and its counsel determined that a claim, although perhaps colorable, was not a claim that the Equity Committee could obtain standing to prosecute given the type of potential claim and the nature of the potential damages. Finally, the Equity Committee and its counsel analyzed certain potential claims that, in their view, were colorable and for which the Equity Committee could seek to obtain standing. In analyzing such potential claims, the Equity Committee and its counsel also considered the potential defenses to such claims, the likelihood that the Equity Committee could successfully obtain standing to prosecute such claims, and the benefit that would result to holders of existing equity interests in the event that such claims were prosecuted.

³ Although the Supporting Briefs were not served on the Equity Committee’s counsel, Debtor’s counsel forwarded electronic copies of the Supporting Briefs to the Equity Committee’s counsel.

3. In addition to analyzing potential claims, the Equity Committee and its professionals conducted a thorough investigation into the value of Debtors' business, Debtors' current operations, Debtors' proposed future operations and mine plan, and potential alternatives to Debtors' proposed mine plan.

4. The Equity Committee weighed its valuation analysis, operational analysis, and analysis of certain potential claims in negotiating the terms of the settlement that is embodied in the Consensual Plan of reorganization currently pending before the Court. The Equity Committee believes that the proposed Consensual Plan provides existing equity holders with the best opportunity for a recovery given Debtors' current circumstances.

5. In the Supporting Briefs, certain shareholders assert that the Equity Committee's counsel advised the Court at the August 20, 2015 status conference that "the EC had already undertaken an investigation into Mr. Tuttle's allegations and such allegations held no merit" (Scaramellino Brief, para. 9). No such statement was made by the Equity Committee's counsel at the August 20, 2015 status conference.

6. As set forth above, the Equity Committee and its counsel have analyzed numerous potential claims. Based upon such analyses, the Equity Committee determined that many potential claims, including certain claims related to alleged securities laws violations and alleged insider trading, were claims that belonged to individuals. The Equity Committee and its professionals did not conduct any investigation into potential claims belonging to individuals. The Equity Committee's counsel explained to certain individual shareholders (including Mr. Tuttle) that an equity committee in a bankruptcy proceeding has limited standing to pursue potential claims. In particular, with respect to certain purported securities laws violations or insider trading claims that may have harmed individual shareholders, the Equity Committee's

counsel explained that the Equity Committee would not have standing to pursue such claims and recommended that individual shareholders seek the advice of an attorney to advise them in connection with any individual claims. The Equity Committee's analysis of certain allegations related to securities laws violations and insider trading did not reveal the existence of any colorable claim for the equitable disallowance of any creditor's claim.

7. The Equity Committee reserves its right to supplement or amend this Response to further address the Examiner Motion and any related matter by further submissions to this Court, at oral argument, or by testimony to be presented at any hearing.

Dated: September 4, 2015

COLE SCHOTZ P.C.

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