



Re Breitburn Equity Committee

John Myrick

to:

Bernstein.chambers

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Hide Details

From: John Myrick <johnnymyrick@gmail.com>

To: Bernstein.chambers@nysb.uscourts.gov

2 Attachments



Breitburn.Equity.Committee.pdf Breitburn.Equity.Committee.pdf

Dear Chambers,

We as Equity Security Holders of Breitburn Energy Partners would like to formally request the formation of an Equity Committee on the basis of the company's large equity base and publicly reported financial information (1.3B in balance sheet equity). There is no reason to believe the company is hopelessly insolvent. In addition commodity prices have risen in recent months (after the reported balance sheet filing) adding additional value and equity to the company.

Thank You,
John Myrick

John Myrick
630 ½ N. Genesee Ave
Los Angeles, CA 90036

June 6th, 2016

Honorable Stuart M. Bernstein
United States Bankruptcy Judge
United States Bankruptcy Court for the Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: Breitburn Energy Partners LP, et al.,
CH.11 Case No. 16-11390

We are common and preferred equity owners and due to the large equity base of Breitburn Energy Partners we would like to formally request the formation of an Equity Committee on the basis of the company's publicly reported financial information (1.3B in balance sheet equity).

Please note:

- This is a large and complex billion-dollar case.
- **Debtor is NOT hopelessly insolvent.** The recent CH.11 filing indicates 1.3B in equity and the latest conference call indicated positive cash flow along with a strong hedge protection portfolio. Also the value of the company is largely tied to the price of oil, which is substantially higher now than the balance sheet audit in March. Our concern is that creditors and Management might try to undervalue certain assets to the detriment of Equity Holders and because shareholders have a significant stake in the outcome of this case we deserve to have a seat at the bankruptcy proceedings.
- We believe from the actions of the Management (recently selling all their equity shares) they are not working for the interest of the Equity Security Holders but are aligning themselves with EIG, the major security note holders, to wipe off the Equity Security Holders interest and to acquire the assets in a deceitful manner.
- The 213+ million common security units and 8 million preferred security units are widely held and it would not be cost effective for those thousands of shareholders (including teachers in the California and Pennsylvania pension funds) to employ their own counsel to participate in this case. The bargaining position of individual Equity Security Holders cannot match up with that of a single entity representing all shareholders.

- An Equity Committee would ensure that the thousands of shareholders on record would be adequately represented; most individual shareholders don't have a large enough of a stake to make perusing litigation worthwhile (teachers, retirees, 401k plan owners).
- No other constituency has an incentive to **protect** shareholders. The Equity Committee would be created only to ensure that shareholders are fairly represented and that any deal struck between the creditors and the Debtor is one that maximizes return for all stakeholders.
- With oil prices **raising** the financial strength of the Debtor will continue to increase thus benefitting all of the Debtor's stakeholders.
- The Court has a very important role in ensuring the company's common unit holder's interests are protected and duly addressed, so as to ensure that powerful billionaires such as EIG and the current officers/directors et al won't benefit at the cost of the shareholders.
- Please kindly consider and pass necessary resolutions so as to form a formal Equity Committee to protect all of the Equity Holders, who otherwise will not have a voice in this Ch. 11 case and there is every possibility their interest will not be protected by the current Management, Officers and Directors who appear interested in enriching themselves at our cost.
- Please reference the Fremont General reorganization, as well as American Airlines, as two examples of Chapter 11 bankruptcies where it was discovered that equity did indeed exist for the Equity Security Holders.

Thank You,
John Myrick

~~Attached~~
~~*Balance Sheet~~ (indicating 1.3B in equity)

Schedule 4

Breitbart - Condensed Consolidated Balance Sheet (Unaudited)

As of March 31, 2016

(in \$000s)

ASSETS

Current assets	
Cash	\$ 81,691
Accounts receivable, net	113,215
Derivative instruments	388,829
Related party receivables	1,518
Inventory	1,345
Prepaid expenses	3,470
Total current assets	590,068
Equity investments	6,657
Net property, plant and equipment	3,864,022
Goodwill	-
Derivative instruments	179,658
Other long-term assets	74,981
Total Assets	\$ 4,715,386
LIABILITIES AND EQUITY	
Current liabilities	
Accounts payable	\$ 42,169
Current portion of long-term debt	172,000
Derivative instruments	4,309
Other Payables	130,409
Other current liabilities	7,834
Total current liabilities	356,721
Total long-term debt	2,783,619
Asset retirement obligation	247,956
Other long-term liabilities	24,207
Total Liabilities	3,412,503
Total partner's equity	1,295,588
Noncontrolling interest	7,295
Total Equity	1,302,883
Total Liabilities and Equity	\$ 4,715,386

General Note: The Consolidated Balance Sheet is unaudited, subject to change and includes certain items that remain under review by the Debtors and may be accounted for differently in future reports. The balance sheet includes the financial attributes of the Debtors' non-debtor affiliates.