

SUNEDISON LITIGATION TRUST

Report for the period July 1, 2020, to December 31, 2020

In accordance with Article 9 of the SunEdison GUC Litigation Trust Agreement¹ dated as of December 29, 2017, by and among SunEdison, Inc. and certain of its affiliates and Drivetrain, LLC, as the trustee, the Litigation Trustee has prepared the following semi-annual financial statement for the Litigation Trust Beneficiaries.

Litigation Activities

As previously reported, the Litigation Trustee filed four hundred seventy-nine adversary complaints in the Bankruptcy Court ahead of the two-year statute of limitations (occurring initially in April 2018) for Chapter 5 complaints. The Litigation Trustee then moved the Bankruptcy Court to establish procedures governing its adversary proceedings (Docket No. 5339-1) on April 27, 2018. The Bankruptcy Court entered its *Order Granting SunEdison Litigation Trust's Motion for Order Establishing Procedures Governing Adversary Proceedings Pursuant to Sections 502, 547, 548 and 550 of the Bankruptcy Code* on May 18, 2018 (Docket No. 5390) (the "Order").

In summary, the Order included several procedures that governed the adversary proceedings, including (by heading):

- A. Stipulation to Extend Time for Defendants to Respond to the Complaint, Mediation Before Response
- B. Stay of Requirement to Conduct Pretrial Conference
- C. Stay of Requirement to Conduct Rule 26(f) Conference
- D. Stay of Discovery
- E. Settlement of Avoidance Actions
- F. Dispositive Motions
- G. Mediation Procedures and Requirements
- H. Avoidance Actions Omnibus Hearings
- I. Motions Affecting all Avoidance Actions
- J. Mediator List

The Trust and its counsel, with the assistance of Alvarez & Marsal, have scheduled, engaged, and negotiated, and in certain instances participated in discovery, with the defendants in mediation during the past thirty months. These efforts have yielded substantial progress in advancing both potential and actual settlements, and finally resolving claims. The results of these efforts are evidenced, in part, in the following tables:

¹ Capitalized terms not defined in this Report have the meanings given to them in the SunEdison Litigation Trust Agreement.

Period	Adversary Complaints Filed in Total	Tolling Agreements in Force (end of period)	Settlements Documented (to date)	Cases Settled and Dismissed (to date)	Cases Dismissed without Settlement (to date)
12/27/17 – 6/30/18	479	24	21	12	20
7/1/18 – 12/31/18	481	19	121	98	67
1/1/19 – 6/30/19	484	11	238	220	78
7/1/19 – 12/31/19	484	7	302	291	85
1/1/20 – 6/30/20	484	7	327	322	85
7/1/20 – 12/31/20	484	7	336	327	86

The difference between Settlements Documented and Cases Settled and Dismissed equals Cases where an agreement is reached but the terms of the settlement have not been consummated (e.g., receipt of payment).

As evident above, the Trust did not file any additional adversary proceedings during the period between July 1, 2020 and December 31, 2020. On November 16, 2020, the Court entered *Order Granting Defendant's Motion to Dismiss the Amended Complaint* in the matter of SunEdison Litigation Trust v. Seller Note, LLC *et al.* (Adv. Pr. No. 18-01537 (SMB)). The Trust filed its Notice of Appeal on December 1, 2020 and Statement of Issues on December 15, 2020. The Notice of Transmittal of Record of Appeal to the US District Court for the Southern District of New York was entered on the docket on January 7, 2021.

The Trust reached settlements with 9 defendants between July 1, 2020 and December 31, 2020, with the majority of these resolutions occurring outside of the mediation events and the balance in the court-mandated mediations. Since the inception of the Trust, the number of settlements totaled 336 as of December 31, 2020.

As of December 31, 2020, the Trustee and defendants in 8 cases had reached resolution but had not accomplished the final terms of settlement (most often this is due to pending documentation or receipt of payment). These cases have not yet been dismissed although it is expected that the final settlements should occur during the next reporting period. 33 cases are awaiting or are continuing mediation and there are 46 cases in which a default judgment is awaiting or is entered against the defendants. 4 cases currently are in active litigation, and there are 4 matters in which foreign service is pending.

Trust Assets and Receipts and Disbursements

As of December 31, 2020, the Trust Assets consisted of cash balances held in deposit and investment accounts, and the unliquidated claims and causes of action transferred to the Trust pursuant to the Plan, the Confirmation Order, and the Trust Agreement.

Table 1 (contained on page 7 of this report) includes a summary of the Trust's receipts and disbursements in the period of July 1, 2020 to December 31, 2020, and from the inception of the Trust.

GUC Claims Administration

The GUC claims register (the "Register") originally totaled in excess of 9,800 scheduled and filed proofs of claim. That sum has been reduced by objections or otherwise resolved asserted claims to fewer than 3,900 claims.

In addition, in the course of resolving the Chapter 5 adversary proceedings brought by the Trust, the Trustee attempts to resolve any claims that defendants may have against the Trust in tandem with the preference or fraudulent conveyance claims. These resolutions have resolved in excess of \$57 million in claims against the Trust.

The Trustee's efforts to administer the balance of the remaining disputed and not yet allowed claims are shifting as the Trustee's mandated attendance to the court-mandated mediations moderates.

As of December 31, 2020, the top ten stipulated/ allowed GUC claimants to date were as follows:

Claim Nos.	Claimant	Amount
	Convertible Senior Note Holders (former)	2,213,917,873
3031	SunRun (fka Vivint)	590,000,000
3737	PCS Phosphate Company, Inc.	179,473,907
1711, 1822	Lotte Fine Chemical Co. Ltd.	62,736,482
3152	R/C Solar Investment Partnership, L.P.	38,700,000
2764	Newmark Grubb Knight Frank	20,000,000
2117	Jinneng Clean Energy Technology Ltd.	17,135,835
4006	GlobalWafers Singapore Pte. Ltd.	15,788,559
6113	Woongjin Energy Co., Ltd.	12,500,000
2968	Hefei JA Solar Technology Co., Ltd.	11,123,870
	Total (Top 10)	3,161,376,526

As previously reported, the Initial Distribution was conducted using a Reserved Claims Estimate totaling \$8.7Bn and further changes to the Register have revised the Reserved Claims Estimate to \$6.1Bn. That revised estimate included claims that the Trustee has yet to evaluate and to which the Trustee may yet object, including approximately \$2.9Bn related to unliquidated, contingent, and disputed claims for which cash has been set aside in reserve. The Litigation Trustee is further evaluating the Allowed Claims and Disputed Reserve balances, including the progress of the omnibus objections and other internal analyses.

The Trustee made a distribution to Allowed GUC claimants equaling 0.005% of the Allowed Claim on December 31, 2020. The Trustee intends to make semi-annual distributions in 2021, targeting the end of June for the next distribution. The amount of that distribution is subject to evaluation and will be announced approximately a month prior to the payment date.

On December 11, 2018, the Court signed an order (Docket No. 5658) extending the time to object to Claims to June 30, 2019. On July 1, 2019, the Court signed a subsequent order (Docket No. 6002) extending the time to object to Claims to December 31, 2019. On January 2, 2020, the Court signed a subsequent order (Docket No. 6175) extending the time to object to Claims to June 30, 2020. On June 30, 2020, the Court signed a subsequent order (Docket No. 6274) extending the time to object to Claims to December 31, 2020. On January 5, 2021, the Court signed a subsequent order (Docket No. 6355) extending the time to object to Claims to June 30, 2021 (the "Extension Order"). The Extension Order is without prejudice to the rights of the Trust and/or the Debtors to seek a further extension(s) of the Objection Deadline.

Background

Formation. In accordance with the *Second Amended Joint Plan of Reorganization of SunEdison, Inc. and Its Affiliated Debtors* (the "Plan") and the Confirmation Order entered by the Bankruptcy Court (S.D.N.Y. Bankr. Court Case No. 16-10992-SMB) entered on July 28, 2017 (the "Confirmation Order"), the SunEdison Litigation Trust (the "Litigation Trust" or the "Trust") was formed on December 29, 2017. The Plan and Confirmation Order transferred and vested in the Litigation Trust all Causes of Action of the Debtors' Estates as of the Effective Date, including all Estate Avoidance Actions (other than Avoidance Actions against the YieldCos and Avoidance Actions against the Prepetition First Lien Secured Parties and the Second Lien Creditors), to the extent such Causes of Action were not released or settled with the consent of the Creditors' Committee, pursuant to Article 11.5 of the Plan or settled pursuant to an Order of the Bankruptcy Court or the Global Settlement Term Sheet prior to the Effective Date.

Pursuant to the Plan and Confirmation Order, the Trustee has and will distribute Class A Litigation Trust Interests to Allowed General Unsecured Creditors and has distributed Class B Litigation Trust Interests to Allowed Second Lien Claimants in partial satisfaction of their respective claims against the SunEdison bankruptcy estates. The Litigation Trust retains absolute standing and authority to assert and prosecute the Causes of Action for the benefit of the holders of Litigation Trust Interests.

Governance. The Litigation Trust is governed by the terms of the SunEdison Litigation Trust Agreement (the “SunEdison Litigation Trust Agreement” or “Trust Agreement”), which was entered into by the SunEdison Debtors, related parties, and Drivetrain, LLC, a New York limited liability company providing post-bankruptcy professional services, as the Litigation Trustee. As set forth in the SunEdison Litigation Trust Agreement, the Litigation Trustee is subject to the oversight of the Litigation Trust Oversight Board, a three-member committee selected by the Creditors’ Committee. The current members of the committee are Neal Goldman, Robert Egan, and Alan Carr, the representative of the Litigation Trustee.

Trust Communications. In order to facilitate communications with Litigation Trust Interest holders, the Litigation Trustee established a website to post documents and notices. That website can be accessed at: <https://cases.primeclerk.com/sunedisonlitigation/>. Copies of the Plan, Confirmation Order, SunEdison Litigation Trust Agreement, and other documents have been posted there.

The Litigation Trust’s website is updated from time-to-time with certain significant docket filings or other information regarding the litigations. Note, however, that the website will not contain copies of all filings or other material information and may be incomplete. The website also may be updated on a delay and not in real time. A complete real-time docket listing may be accessed through the Bankruptcy Court for the Southern District of New York’s Pacer website (available at: <https://ecf.nysb.uscourts.gov>) or Prime Clerk’s SunEdison bankruptcy case website (available at: <https://cases.primeclerk.com/sunedison>).

Registration Status. In accordance with Sections 2.3 and 2.4 of the Trust Agreement, the ownership of the Litigation Trust Interests, namely the Class A Litigation Trust Interests and the Class B Litigation Trust Interests, shall be represented by the recording of such ownership in an electronic book-entry system maintained by either the Litigation Trustee or an agent of the Litigation Trustee.

The Litigation Trustee distributed and posted registration procedures to all known claimants on February 8, 2018, and posted registration forms for each class of non-bondholder unitholders on its publicly-available website under the tab *Litigation Trust Documents* (available at: <https://cases.primeclerk.com/sunedisonlitigation/Home-DocketInfo>).

Prime Clerk, as agent to the Trustee, is serving as Registrar and compiling and processing completed and returned registration forms for non-bondholder Litigation Trust Beneficiaries. (Bondholder claimants received escrow CUSIPs immediately following the Effective Date and ownerships of these escrow CUSIPs will allow the Depository Trust Company (DTC) to process future cash distributions on the account of these interest holders).

The Trustee reconciled the holdings of the 2nd lien claimants at the conclusion of the bankruptcy case and has noticed holders of their B-units of the initial amounts entered on the Register. Some trading of non-escrow DTC B-unit holdings has commenced.

To recall, the Trustee has provided a Form of Transfer Notice to be provided by the Transferor and Transferee to the Registrar (i.e., Prime Clerk) at the time of transfer so such can be recorded in the Register. These forms also can be found on the *Litigation Trust Documents* tab at: <https://cases.primeclerk.com/sunedisonlitigation/Home-DocketInfo>.

Tax Treatment and Reporting. The Litigation Trust is intended to qualify as a liquidating trust for U.S. federal income tax purposes within the meaning of Treasury Regulation Section 301.7701-4(d) and thus as a “grantor trust” within the meaning of Sections 671 through 677 of the Internal Revenue Code of 1986, as amended (the “IRC”), with the Litigation Trust Beneficiaries treated for U.S. federal income tax purposes as the grantors and owners of their respective shares of the Litigation Trust Assets, other than with respect to any assets allocable to, or retained on account of, Disputed Claims (i.e., the GUC Disputed Claims Reserve).

The Litigation Trustee is employing Baker Newman Noyes as tax-preparer and will provide holders of Litigation Trust Interests with information regarding their proportionate share in the Litigation Trust’s items of income, gain, deduction, loss, and credit for each tax year, in order to enable holders to prepare U.S. federal, state, and other tax returns.

Disclaimer

This Report was prepared pursuant to Section 9.1 of the SunEdison Litigation Trust Agreement. It is limited in scope and covers a limited period. The financial data reflected in this Report has not been audited and is subject to future adjustment, reclassification and/or reconciliation. It does not include all adjustments or notes that would be required to be reported in accordance with generally accepted accounting principles. The information set forth in this Report should not be viewed as indicative of future results.

February 4, 2021

SunEdison Litigation Trust
c/o Alan Carr, Tim Daileader,
Ivona Smith and Marc Rosenberg
Drivetrain, LLC, as Trustee
410 Park Avenue, Suite 900
New York, NY 10022
sunedison@drivetrainadvisors.com

TABLE 1: SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (\$)

	Jul 1, 2020 – Dec 31, 2020	Jan 1, 2020 – Jun 30, 2020	Jul 1, 2019 – Dec 31, 2019	Jan 1, 2019 – Jun 30, 2019	Post Confirmation Total
1 TOTAL CASH (Beginning of period)	\$ 81,813,106	\$ 86,386,929	\$ 77,635,691	\$ 68,550,690	-
2 RECEIPTS					
i. Debtors' Initial Grant	-	-	-	-	\$ 64,307,708
ii. Litigation Proceeds	14,941,919	561,667	17,822,795	14,133,776	73,070,098
iii. Interest	11,450	168,351	359,922	294,489	1,163,694
iv. Other Income	404,902	3,865	-	3,393,938	3,802,705
3 DISBURSEMENTS					
a. Taxes					
i. Federal Taxes	-	-	-	-	-
ii. State Taxes	-	-	-	-	-
iii. Other Taxes	-	-	-	-	-
b. Litigation Trust Expenses					
i. Trustee's fees and expenses	103,662	99,541	90,000	94,514	720,966
ii. Attorneys' fees and expenses	3,947,093	2,680,215	5,875,497	4,512,575	22,440,192
iii. Other professionals' fees and expenses ⁵	1,868,570	2,385,548	3,316,675	3,852,138	17,110,634
iv. Other operating expenses	63,777	142,402	77,515	139,056	608,441
c. Distribution of Trust Assets:					
i. Class A Distribution ⁶	11,505,453	-	71,792	138,918	21,781,150
ii. Class B distribution	-	-	-	-	-
Total Disbursements	\$ 17,488,554	\$ 5,307,707	\$ 9,431,478	\$ 8,737,202	\$ 62,661,383
4 TOTAL CASH (End of Period)	\$ 79,682,823	\$ 81,813,106	\$ 86,386,929	\$ 77,635,691	\$ 79,682,823

⁵ The professional expenses reflect the significant efforts made in data management, the professional support of the litigation efforts and the administration of claims upon the former debtors.

⁶ The Class A distributions include the \$6,444,651 paid to the Convertible Noteholders' Indenture Trustee in connection with fees and expenses incurred during the bankruptcy and deducted from those payment waterfalls.

TABLE 2: CHAPTER 11 POST-CONFIRMATION BANK ACCOUNT RECONCILIATIONS

Bank Account Information	Account #1	Account #2
Name of Bank	Wells Fargo Private Bank	Wells Fargo Securities
Account Number	x470	x870
Purpose of Account	Operating	Operating - Investment
Type of Account	Direct Deposit	Money Market Mutual Fund
1. Balance per account statement	\$ 632,712	\$ 32,758,694
2. ADD: Deposits not credited	-	-
3. SUBTRACT: Outstanding Checks	-	-
4. Other Reconciling Items	-	-
5. Quarter End Balance	\$ 632,712	\$ 32,758,694
Agrees with Books (Y/N)	Y	Y
Bank Account Information	Account #3	Account #4
Name of Bank	Wells Fargo Private Bank	Wells Fargo Securities
Account Number	x447	x439
Purpose of Account	Disputed Claims Reserve	Reserve Account
Type of Account	Direct Deposit	Direct Deposit
1. Balance per account statement	\$ 20,543,382	\$ 401,427
2. ADD: Deposits not credited	-	-
3. SUBTRACT: Outstanding Checks	-	-
4. Other Reconciling Items	-	-
5. Quarter End Balance	\$ 20,543,382	\$ 401,427
Agrees with Books (Y/N)	Y	Y
Bank Account Information	Account #5	Account #6
Name of Bank	Wells Fargo Private Bank	Wells Fargo Private Bank
Account Number	x032	x462
Purpose of Account	Preference Collections	Litigation Expenses
Type of Account	Direct Deposit	Direct Deposit
1. Balance per account statement	\$ 25,346,608	-
2. ADD: Deposits not credited	-	-
3. SUBTRACT: Outstanding Checks	-	-
4. Other Reconciling Items	-	-
5. Quarter End Balance	\$ 25,346,608	-
Agrees with Books (Y/N)	Y	Y
Bank Account Information	Account #7	
Name of Bank	Wells Fargo Private Bank	
Account Number	x454	
Purpose of Account	Additional Compensation	
Type of Account	Direct Deposit	
1. Balance per account statement	-	
2. ADD: Deposits not credited	-	
3. SUBTRACT: Outstanding Checks	-	
4. Other Reconciling Items	-	
5. Quarter End Balance	-	
Agrees with Books (Y/N)	Y	