

Mark H. Ralston  
State Bar No. 16489460  
Fishman Jackson Ronquillo PLLC  
Three Galleria Tower  
13155 Noel Road, Suite 700  
Dallas, TX 75240  
Telephone: (972) 419-5544  
Facsimile: (972) 419-5500  
E-mail: [mrалston@fjrpllc.com](mailto:mrалston@fjrpllc.com)

Counsel for Debtor  
Completion Industrial Minerals, LLC

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

<b>IN RE:</b>	§	<b>Chapter 11</b>
<b>COMPLETION INDUSTRIAL MINERALS, LLC,</b>	§	<b>Case No. 17-43208-rfn-11</b>
<b>Debtor.</b>	§	<b>HEARING DATE/TIME: Expedited Hearing Requested</b>

**DEBTOR’S UNOPPOSED EMERGENCY MOTION FOR ORDER  
DIRECTING THE APPOINTMENT OF A CHAPTER 11 TRUSTEE**

TO THE HONORABLE RUSSELL F. NELMS,  
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 11 U.S.C. § 1104(a)(2), Completion Industrial Minerals, LLC (“**CIM**”), as Debtor and Debtor-in-Possession in the above styled and captioned bankruptcy case (the “**Bankruptcy Case**”), moves for the appointment of a Chapter 11 trustee on the grounds that the relief requested is in the best interests of the CIM bankruptcy estate, and its creditors and other parties in interest. In support of the relief requested, CIM would show as follows:

## I. JURISDICTION<sup>1</sup>

1. This Court has jurisdiction over the Bankruptcy Case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. The proceeding initiated by the filing of this motion constitutes a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of the Bankruptcy Case in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

## II. FACTUAL BACKGROUND

2. CIM is a Delaware limited liability company headquartered in Fort Worth, Texas. CIM commenced the Bankruptcy Case on August 1, 2017 (the “**Petition Date**”) by filing a voluntary petition under Chapter 11 of the Bankruptcy Code. Since the Petition Date, CIM has remained in possession of its assets and continued in operation of its business as a debtor-in-possession pursuant to sections 1107 and 1108.

3. During the time it was in active operations, CIM produced Northern Alpha Quartz proppants, which is used by oil and gas producers in horizontal oil and gas drilling, at its Marshfield, Wisconsin facility. Additional information regarding CIM can be found on its website at <http://www.ciminerals.com/>.

4. The most recent economic downturn in the oil and gas industry, which began approximately in 2014, resulted in decreased demand for CIM’s products. Consequently, CIM has suffered annual losses beginning in the 2015 calendar year. As a consequence of its ongoing losses and continued economic pressures in the industry, as well related cash-flow issues, in March, 2016 CIM ceased operations at the Marshfield facility. By closing its production facility, CIM has been able to mitigate its losses and reduce related cash requirements.

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<sup>1</sup> Unless otherwise indicated, all statutory references shall be to the United States Bankruptcy Code, Title 11 United States Code (the “**Bankruptcy Code**”).

5. Certain of CIM's judgment creditors precipitated CIM's bankruptcy filing by seeking to have the Marshfield facility sold at a sheriff's sale scheduled for August 2, 2017. To avoid the potentially staggering loss of value in its principal asset that likely would have resulted from that foreclosure sale, CIM filed this bankruptcy case and effectuated the stay of the foreclosure sale, as well as possibly other disruptive collection actions by creditors.

6. CIM's members consist of ISA Operating Company, LLC and TexSand, LLC (collectively, the "**CIM Members**"). CIM and the CIM Members believe that with the infusion of additional capital, CIM's operations can be made profitable. Accordingly, during the pre- and post-petition periods, CIM and the CIM Members (with the assistance of its investment banker, the Simmons & Company International, a division of Piper Jaffrey Companies) have been actively seeking to recapitalize, either through the sale by the CIM Members of their equity interests in CIM to a new owner or through the sale of CIM's operating assets.

7. Through those efforts, CIM and the CIM Members developed several prospects that appeared to be interested in purchasing ownership in CIM under terms and conditions that would provide for the satisfaction of *all* of CIM's pre- and post-petition debt. Those prospects also expressed their intention to close on the proposed purchase expeditiously—a material consideration to both CIM and the CIM Members because CIM has been dependent on limited post-petition financing from the CIM Members to maintain its limited operations.

8. The CIM Members entered into a certain letter of intent dated October 30, 2017 (the "**LOI**") with one such prospect, AquaPower Chemicals USA, Inc. ("**AquaPower USA**"). Per the LOI, the parties were to close on the transaction within forty-five (45) days. AquaPower, however, has indicated that it has not been able to raise sufficient capital to consummate that transaction and has heretofore been unable to fulfill other requirements contemplated under the

LOI. The CIM Members and CIM have received other tentative and contingent offers to acquire the CIM Members' interests or CIM's assets, but for sums that CIM believes are less than the value that could be realized by the CIM bankruptcy estate and its creditors from a bankruptcy asset sale or from a bankruptcy reorganization.

### III. DISCUSSION

9. Section 1104(b) provides that a “court shall order the appointment of a trustee— if such appointment is in the interests of creditors, any equity security holders, and other interests of the estate ... .”<sup>2</sup>

10. CIM believes that it is in the best interests, at this time, to continue in Chapter 11, but to have its bankruptcy estate administered by a Chapter 11 trustee. Among other things, CIM does not have the cash resources to fund continued operations and its current management does not have particular expertise in bankruptcy restructuring matters. CIM also believes that having this case remain a Chapter 11 case is preferable to converting this case to a case under Chapter 7. Although CIM's principal asset—its Marshfield Wisconsin sand processing facility—is “mothballed”, that facility still requires regular maintenance. Also, CIM's assets include various governmental operating permits that may not be transferable. Accordingly, it may be in the best interests of creditors and other stakeholders that CIM effectuate a plan of reorganization under which CIM would retain its assets, including its operating permits.

### IV. REQUEST FOR RELIEF

For the foregoing reasons, CIM requests that the Court, after notice and an opportunity for hearing, enter an order directing the U.S. Trustee's office to appoint a Chapter 11 trustee. CIM further requests that it be granted all other relief to which it may be entitled.

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<sup>2</sup> 11 U.S.C. § 1104(b).

Dated: the 5<sup>th</sup> day of December, 2017.

Respectfully submitted,

/s/ Mark H. Ralston  
Mark H. Ralston  
State Bar No. 16489460  
Fishman Jackson Ronquillo PLLC  
Three Galleria Tower  
13155 Noel Road, Suite 700  
Dallas, TX 75240  
Telephone: (972) 419-5544  
Facsimile: (972) 419-5500  
E-mail: [mrалston@fjrpllc.com](mailto:mrалston@fjrpllc.com)

COUNSEL FOR DEBTOR COMPLETION  
INDUSTRIAL MINERALS, LLC

### **CERTIFICATE OF SERVICE**

This is to certify that the undersigned caused a true and correct copy of the foregoing document to be served on all persons receiving electronic notice of filings in this case through the ECF system, on this, the 5<sup>th</sup> day of December, 2017.

/s/ Mark H. Ralston  
Mark H. Ralston

### **CERTIFICATE OF CONFERENCE**

I hereby certify that on December 4, 2017, I conferred to Erin Schmidt, trial attorney for the Office of the United States Trustee, regarding the relief requested herein and was informed that the Office of the United States Trustee does not object to the relief requested.

/s/ Mark H. Ralston  
Mark H. Ralston