



Troubled Company Reporter

VOLUNTEER ENERGY: Unsecureds to Recover 9%-25% in Liquidating Plan

Volunteer Energy Services, Inc., filed with the U.S. Bankruptcy

Court for the Southern District of Ohio a Revised Disclosure

Statement for Chapter 11 Plan of Liquidation dated January 3,

2023.

The Debtor was a family-owned retail energy provider headquartered

in Pickerington, Ohio. Beginning in 2001, the Debtor supplied

natural gas to its various commercial, industrial, and residential

customers across Ohio.

The Debtor's business relied heavily on the purchase of energy from

Wholesale Energy Suppliers to service customers. The Debtor's

contracts with Wholesale Energy Suppliers were short-term

commitment contracts that the Debtor paid in arrears. On March 25,

2022, the Debtor was about to default on approximately \$12.6

million in payments due to its Wholesale Energy Suppliers. These

defaults would create an irreversible domino effect resulting in a severe liquidity crisis and the need for chapter 11 relief.

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As of the Petition Date, the Debtor was in most instances between the second and third steps and in some instances already facing the penalties in the fourth step. The goal of this Chapter 11 Case was to facilitate the orderly transition of the Debtor's customers to default service to stop the unnecessary imposition of significant penalties against the Debtor, which would allow the Debtor to conduct an orderly wind-down for the benefit of all stakeholders.

On April 4, 2022, the Debtor filed Debtor's Expedited Motion the private sale of certain of the Debtor's customer contracts (the "Purchased Contracts") to NRG Retail LLC or its designee(s) (the "Purchaser") free and clear of liens, claims, interests, and encumbrances as contemplated by the Asset Purchase Agreement (the "APA") between the Debtor and the Purchaser and the assumption and assignment of the Purchased Contracts.

Pursuant to the APA and Sale Order, the Purchased Contracts were transferred to the Purchaser for those customers who did not otherwise unilaterally choose to switch to a different service

provider. The Debtor's customer contracts that did not constitute

Purchased Contracts will be rejected in accordance with the Plan.

Those customers that were not transferred to the Purchaser were

either transferred to different service providers or returned to

utility service. Following any price adjustments required under the

APA, the final purchase price for the Purchased Contracts was

\$6,401,114.07.

The Plan is a plan of liquidation. In general, a chapter 11 plan

of liquidation (i) divides claims and equity interests into

separate classes, (ii) specifies the property that each class is to

receive under the Plan, and (iii) contains other provisions

necessary to implement the Plan. Generally, the Plan establishes a

mechanism by which assets of the Estate will be distributed to

Holders of Claims and Interests, in the order set forth in the

Plan.

Class 5 consists of General Unsecured Claims. In full and final

satisfaction, settlement, release, and discharge of any and all

General Unsecured Claims, each Holder of an Allowed General

Unsecured Claim in Class 5, except to the extent that a Holder of

an Allowed General Unsecured Claim agrees to less favorable

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treatment, shall receive one or more Distributions equal to its Pro Rata share of the General Unsecured Creditor Interests as such Distributions become available as is reasonably practicable in the reasonable discretion of the Liquidating Trustee.

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The Liquidating Trust, in the Liquidating Trustee's discretion, shall make periodic Distributions of available Cash from the Liquidating Trust Assets to the Holders of Allowed General Unsecured Creditor Interests at any time after the Effective Date.

The allowed unsecured claims total \$23 million

\$31 million. This

Class will receive a distribution of 9% to 25% of their allowed claims. Class 5 is Impaired.

Class 6 consists of Interests in the Debtor. No Holder of an Interest in the Debtor shall be entitled to a Distribution under the Plan on account of such Interest. On the Effective Date, all Interests shall be retired, cancelled, extinguished, and/or discharged. Class 6 is Impaired.

The Plan shall be funded from the Effective Date Cash and any other

Assets of the Estate.

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On the Effective Date, the Liquidating Trust shall be formed, established, and become effective pursuant to the Plan and in accordance with the Liquidating Trust Agreement, to receive the Liquidating Trust Assets, to liquidate the Liquidating Trust Assets and to enable the Liquidating Trustee to distribute same in accordance with the terms of the Plan and the Liquidating Trust Agreement.

On the Effective Date, or as soon thereafter as is practicable, the Liquidating Trustee shall establish the Liquidating Trust Expense Fund, the funding of which may include any Liquidating Trust Assets; provided, however, that the Liquidating Trust Expense Fund may not include more than \$500,000 of the Initial Liquidating Trust Funding. The Liquidating Trust Expense Fund shall be used to pay the Liquidating Trust Expenses in accordance with the Liquidating Trust Agreement, including, without limitation, costs and expenses of (i) Professionals retained by the Liquidating Trustee, (ii) any liquidation or administration of the Liquidating Trust Assets, and (iii) the prosecution of Causes of Action, including Avoidance

Actions, and objections to Claims.

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A full-text copy of the Revised Disclosure Statement dated January

3, 2023 is available at <https://bit.ly/3ZdYOvB> from

PacerMonitor.com at no charge.

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About Volunteer Energy Services

Volunteer Energy Services, Inc., an electric power provider based in Pickerington, Ohio, sought protection under Chapter 11 of the Bankruptcy Code (Bankr. S.D. Ohio Case No. 22-50804) on March 25, 2022. In the petition signed by David Warner, chief financial officer, the Debtor disclosed up to \$100 million in both assets and liabilities.

Judge C. Kathryn Preston oversees the case.

McDermott Will & Emery, LLP, and Isaac Wiles and Burkholder, LLC serve as the Debtor's lead bankruptcy counsel and local counsel, respectively. GlassRatner Advisory & Capital Group, LLC, doing business as B. Riley Advisory Services, is the Debtor's financial advisor. Epiq Corporate Restructuring, LLC as its administrative advisor.