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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
REPUBLIC METALS REFINING CORPORATION, <i>et al.</i> , ¹)	Case No. 18-13359 (shl)
)	
Debtors.)	(Jointly Administered)

**DECLARATION OF SCOTT AVILA IN SUPPORT OF DEBTORS'
MOTION TO SELL PROPERTY OF THE ESTATE FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS PURSUANT TO
11 U.S.C. § 363 AND SUPPLEMENT THERETO
(REMAINING ASSETS)**

I, SCOTT AVILA, being duly sworn, depose and say as follows:

1. My name is Scott Avila. I am a principal of Paladin Management Group, LLC ("Paladin"), a financial advisory firm. I submit this declaration (the "Declaration") in my capacity as Chief Restructuring Officer ("CRO") of Republic Metals Refining Corporation, Republic Metals Corporation, Republic Carbon Company, LLC, Republic High Tech Metals,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Republic Metals Refining Corporation, 15 West 47th Street, Suites 206 and 209, New York, NY 10036 (3194), Republic Metals Corporation, 12900 NW 38th Avenue, Miami, FL 33054 (4378), Republic Carbon Company, LLC, 5295 Northwest 163rd Street, Miami Gardens, FL 33014 (5833), Republic High Tech Metals, LLC, 13001 NW 38 Avenue, Miami, FL 33054 (6102), RMC Diamonds, LLC, 12900 NW 38th Avenue, Miami, FL 33054 (1507), RMC2, LLC, 12900 NW 38th Avenue, Miami, FL 33054 (4696), J & L Republic LLC, 12900 NW 38th Avenue, Miami, FL 33054 (7604); R & R Metals, LLC, 12900 NW 38th Avenue, Miami, FL 33054 (7848), Republic Metals Trading (Shanghai) Co., Ltd., 276 Ningbo Road, Huangpu District, Shanghai, P.R. 200001 China (1639), and Republic Trans Mexico Metals, S.R.L., Francisco I. Madero No. 55 Piso 5, Local 409, Centro Joyero Edificio Central, Delegación Cuauhtémoc, Mexico DF 6000 (2942). Where applicable, the Debtors are also referred to herein as the "Company."

LLC, RMC Diamonds, LLC, RMC2, LLC, J & L Republic, LLC, and R & R Metals, LLC, the debtors and debtors-in-possession (together, the "Debtors" or the "Company") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") before the United States Bankruptcy Court for the Southern District of New York (the "Court"), in support of Debtors' Motion to Sell Property of the Estate Free and Clear of Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. § 363 (Remaining Assets) (the "Sale Motion") [ECF No. 691] and the Supplement (the "Supplement") [ECF No. 801] to the Sale Motion.

2. I am duly authorized to make this declaration (the "Declaration") on behalf of the Debtors.

3. A history of the Debtors' businesses and the events leading to these Chapter 11 Cases are set forth in my Declaration, as CRO, in Support of Chapter 11 Petitions and First Day Motions [ECF No. 2, the "Avila Declaration"], as well as by reviewing the entirety of the Court's docket for these Chapter 11 Cases.

4. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, I could and would testify thereto.

5. On February 28, 2019, the Debtors filed the Motion, seeking to sell the Remaining Assets described on the Asset Schedule attached as Exhibit A thereto.

6. On March 13, 2019, the Debtors filed a Supplement to the Motion (the "Supplement").

7. As set forth in the Motion and Supplement,, the Remaining Assets generally include:

- (a) a 2016 Range Rover (the "Range Rover");
- (b) a 2014 Mercedes Benz S Class (the "Mercedes");
- (c) a Breguet XXII men's watch;

- (d) various precious stones, including a 9.02 karat diamond (together with (c), the "Jewelry");
- (e) various watches and gems (the "Watches and Gems");
- (f) equipment owned by Debtor RMRC (the "RMRC Assets"); and
- (g) equipment owned by Debtor RTMM (the "RTMM Assets").

8. The Remaining Assets do not include any inventory that is the subject of disputes being resolved pursuant to the Uniform Customer Procedures.

9. I, in my capacity as CRO, have worked diligently with Paladin Management Group, LLC ("Paladin"), the Debtors' financial advisor, to estimate the expected value of the Remaining Assets, by, *inter alia*, as follows:

- a) The vehicle minimum prices are based upon information from Kelley Blue Book and True Car.
- b) The minimum prices for the larger jewelry pieces were established based upon reserve prices suggested by an auction house.
- c) The minimum price for the 9.02 karat diamond was determined by input and information from three jewelry wholesalers and two auction houses.
- d) The minimum prices for the colored stones were based upon information from various jewelers who specialize in colored stones.

10. Through the process to sell all of the Debtors' assets, which ultimately resulted in the successful sale of the majority of those assets, I determined that no party was interested in the assets of Debtors RMRC and RTMM. The estimated values of the RMRC and RTMM Assets were determined based upon discounted book values for the respective Assets.

11. Through this Motion, the Debtors seek authority to sell the Remaining Assets set forth on the Asset Schedule, free and clear of all liens, claims, encumbrances, and interests, to the extent allowed by 11 U.S.C. § 363, according to the following procedures:

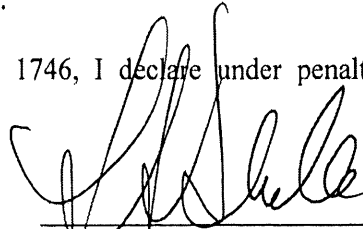
- a) The Debtors may sell a Remaining Asset for an amount equal to or in excess of the Minimum Sale Price without further notice or Court Order;

- b) If a Remaining Asset is designated as having *de minimis* value, the Debtors may sell the Asset without further notice or Court Order; and
- c) If the Debtors propose to sell a Remaining Asset for less than the Minimum Sale Price, they may do so only upon five (5) business days' notice to interested parties. If no party objects, the Debtors shall be authorized to sell the Asset. If there is an objection, the Debtors shall schedule a hearing on the objection.

12. I believe the Remaining Asset Sale Procedures, as set forth in the Motion and as amended and supplemented by the Supplement, will ensure the Remaining Assets are sold, if a sale is possible, for the highest and best price, considering any attendant costs and/or delay that may result from a more fulsome sale process.

13. The costs of storage, marketing, and processing of the *de minimis* Assets would far exceed any value to the estate achieved from a sale if the Debtors are required to undertake a more fulsome marketing and sale process.

14. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.



Scott Avila
Chief Restructuring Officer of Debtors