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and 7645635 Canada Inc.*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:
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REPUBLIC METALS REFINING	:
CORPORATION, et al., <sup>1</sup>	:
	:
	:
Debtors.	:
	:
	:
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Chapter 11

Case No. 18-13359 (SHL)

(Jointly Administered)

**RESPONSE TO DEBTORS’ OMNIBUS OBJECTION  
TO ALL RECLAMATION CLAIMS**

7645635 Canada Inc. o/a Ottawa Gold Buyer (“Ottawa Gold Buyer”), and  
Pollock-Cameron Investments Corporation o/a Vancouver Gold Buyer (“Vancouver Gold  
Buyer”, and together with Ottawa Gold Buyer, the “Customers”), as and for their response to the

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<sup>1</sup> 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).

*Debtors' Omnibus Objection to All Reclamation Demands* [Doc. No. 640] (the "Reclamation Claims Objection"), here by state as follows.

1. Customers timely served the Debtors with a reclamation demand by letter dated November 14, 2018 (the "Reclamation Demands") and thereafter filed notice of the same with this Court on November 21, 2018 [Doc. No. 136]. The Debtors acknowledge timely receipt of the Reclamation Demands in the Reclamation Claims Objection, wherein, it appears that the only two grounds for objection by Debtors to the Reclamation Demands are that (i) the Debtors are unable to identify/segregate various materials, and (ii) that the rights of Customers reclaiming such materials are subordinate to prior and senior liens on the same materials. The Reclamation Demands are otherwise uncontested by any party.

2. As required by the *Order Approving Uniform Procedures for Resolution of Ownership Disputes* [doc. 395] dated January 11, 2019 (the "Procedures Order"), Customers also filed a customer statement containing a "summary of the legal basis for the Customer's ownership claim" [Procedures Order, ¶ 2(c)(iv)] on January 18, 2019 [Doc. 465] (the "Customer Statement").

3. Customers hereby reserve their rights to participate in the litigation of the contention that the Debtors could not identify and segregate the goods sold by Customers, whether such litigation is adjudicated pursuant to the Court's Procedures Order or pursuant to other procedures to be established, and whether such litigation proceeds first to resolve the ownership disputes pursuant to the Procedures Order prior to litigation of the Reclamation Claims Objection. In that regard, upon information and belief, the record is not clearly established concerning totality of information about the identifiability of Debtors' inventory as of November 2, 2018 (the "Petition Date"). Among other reasons, the Debtors' schedules and

certain declarations offered by the Debtors appear inconsistent as to the dates of the last physical inventory conducted.

4. For the avoidance of doubt, Customers intend to rely upon the Customer Statement and later Reply as their response to the Reclamation Claims Objection.

5. Customers also reserve their rights to participate in the litigation of the asserted seniority of the liens of the Senior Lenders pursuant to the Procedures Order or otherwise. It is the position of Customers that this litigation issue of lien rights as compared to Reclamation Demands should be deferred until after the Creditors' Committee completes its investigation and/or the conclusion of the challenge period (as defined in the Interim Cash Collateral Order [Doc. No. 54], and as may be further defined in any final cash collateral order).

6. Customers further reserve rights to amend and supplement the Reclamation Demands and this response.

Dated: New York, New York  
March 20, 2019

KLESTADT WINTERS JURELLER  
SOUTHARD & STEVENS, LLP

*/s/Sean C. Southard*

By: \_\_\_\_\_

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