

HEARING DATE AND TIME: JUNE 13, 2019 AT 10:00 A.M.

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Counsel to the Debtors and Debtors in Possession

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

In re:)	Chapter 11
)	
MIAMI METALS I, INC., <i>et al.</i> ¹)	Case No. 18-13359 (shl)
)	
Debtors.)	(Jointly Administered)
)	
)	RELATED DOC. NOS. 1121, 1122

**DEBTORS' NOTICE OF FILING OF SUPPLEMENTAL DECLARATION OF
SCOTT AVILA IN SUPPORT OF (I) JOINT MOTION OF DEBTORS, OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, AND SENIOR LENDERS FOR ENTRY
OF AN ORDER APPROVING SETTLEMENT AGREEMENT PURSUANT TO
BANKRUPTCY RULE 9019, AND (II) DEBTORS' MOTION FOR ENTRY OF
AN ORDER UNDER BANKRUPTCY CODE SECTIONS 105(a) AND 363(b)
AUTHORIZING DEBTORS TO ENTER INTO AND PERFORM UNDER
PLAN SUPPORT AGREEMENT**

Miami Metals I, Inc., *et al.*, (collectively, the "Debtors"), in the above-captioned chapter 11 cases, by and through undersigned counsel, give notice of submission of the Supplemental Declaration of Scott Avila, as Chief Restructuring Officers of the Debtors, in the form attached

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Miami Metals I, Inc. (f/k/a Republic Metals Refining Corporation), 15 West 47th Street, Suites 206 and 209, New York, NY 10036 (3194); Miami Metals II, Inc. (f/k/a Republic Metals Corporation), 12900 NW 38th Avenue, Miami, FL 33054 (4378); Miami Metals III LLC (f/k/a Republic Carbon Company), LLC, 5295 Northwest 163rd Street, Miami Gardens, FL 33014 (5833); Miami Metals IV LLC (f/k/a J & L Republic LLC, 12900 NW 38th Avenue, Miami, FL 33054 (7604); Miami Metals V LLC (f/k/a R & R Metals, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (7848); Miami Metals VI (f/k/a RMC Diamonds, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (1507); Miami Metals VII (f/k/a RMC2, LLC, 12900 NW 38th Avenue, Miami, FL 33054 (4696); Miami Metals VIII (f/k/a Republic High Tech Metals, LLC), 13001 NW 38 Avenue, Miami, FL 33054 (6102), 12900 NW 38th Avenue, Miami, FL 33054 (1507); 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).

hereto as **Exhibit A** (the "Supplemental Avila Declaration").

The Debtors submit the Supplemental Avila Declaration in support of the (i) *Joint Motion of Debtors, Official Committee of Unsecured Creditors, and Senior Lenders for Entry of an Order Approving Settlement Agreement Pursuant to Bankruptcy Rule 9019 [ECF No. 1122]* and (ii) *Debtors' Motion for Entry of an Order Under Bankruptcy Code Sections 105(a) and 363(b) Authorizing Debtors to Enter Into and Perform Under Plan Support Agreement [ECF No. 1121]*.

Dated: June 12, 2019

AKERMAN LLP

By: /s/ Katherine C. Fackler
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EXHIBIT A

SUPPLEMENTAL AVILA DECLARATION

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Counsel for Debtors and Debtors in Possession

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

----- x
In re: : Chapter 11
: :
MIAMI METALS I, INC., *et al.*,¹ : Case No. 18-13359 (SHL)
: :
: (Jointly Administered)
Debtors. :
: **RELATED DOC. NOS. 1121, 1122**
----- x

**SUPPLEMENTAL DECLARATION OF SCOTT AVILA IN SUPPORT OF (I) JOINT
MOTION OF DEBTORS, OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
AND SENIOR LENDERS FOR ENTRY OF AN ORDER APPROVING SETTLEMENT
AGREEMENT PURSUANT TO BANKRUPTCY RULE 9019, AND (II) DEBTORS'
MOTION FOR ENTRY OF AN ORDER UNDER BANKRUPTCY CODE SECTIONS
105(A) AND 363(B) AUTHORIZING THEIR ENTRY INTO AND PERFORMANCE
UNDER PLAN SUPPORT AGREEMENT**

I, Scott Avila, declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am the Chief Restructuring Officer (“CRO”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”). I am authorized to submit this supplemental

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declaration (the “Declaration”) in support of the (i) *Joint Motion of Debtors, Official Committee of Unsecured Creditors, and Senior Lenders for Entry of an Order Approving Settlement Agreement Pursuant to Bankruptcy Rule 9019* (the “9019 Motion”) [ECF No. 1122], and (ii) *Debtors’ Motion for Entry of an Order under Bankruptcy Code Sections 105(a) and 363(b) Authorizing their Entry into and Performance under Plan Support Agreement* (the “Motion”) [ECF No. 1121].

2. I submit this Declaration to further demonstrate that the Debtors’ decision to enter into both the Settlement Agreement (as defined in the 9019 Motion) and the Plan Support Agreement (together, the “Agreements”) is a sound exercise of their business judgment and is in the best interests of the Debtors' estates, its creditors and parties in interest. In my capacity as CRO and Court appointed financial advisors, I am familiar with the Debtors’ businesses and specifically, its cash management, collections and usage during these Bankruptcy Cases. I have personal knowledge of the matters set forth herein. If I were called to testify as a witness in this matter, I would testify competently to the facts set forth herein.

3. Attached hereto are summaries of the Debtors' cash, cash collections, and projected future collections. Also attached is a summary of cash usage and projected cash usage, should the Agreements be approved by this Court. Also attached are the current estimates of claims of customers participating in the customer procedures. These claims are subject to reconciliation, challenge and litigation pending before this Court.

I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed this 12th day of June, 2019.

/s/Scott Avila
Scott Avila

ATTACHMENTS

**SUMMARIES OF DEBTORS'
CASH, CASH COLLECTIONS, AND PROJECTED FUTURE COLLECTIONS**

AND

SUMMARY OF CASH USAGE AND PROJECTED CASH USAGE

In re: Miami Metals

**Beginning Cash, Receipts and Expected Receipts
(000's)**

Cash Balance as 11/2	\$	8,523
Wholesale /Minted Refined Metal		75,610
Impure/Third Party Refining		20,413
Asahi Sale Proceeds		24,541
Prepaid /Package Settlement		5,124
Consignment Settlements		263
Misc. Jewelry - diamonds, etc. - whole sale		755
Misc. Assets		152
Misc. other collections		<u>612</u>
Total Cash Receipts - thru 5/31		135,993
Expected Future Collections		
Sweeps		26,398
Carbon		3,222
Other		<u>26</u>
		29,646
Total	\$	<u><u>165,639</u></u>

Note:

- (a) Excludes any expected recoveries from any causes of actions
- (b) Excludes any expected recoveries from various consignment parties who are holding RMC product.

In re: Miami Metals

**Actual & Projected Cash Disbursements
(000's)**

Total Cash Receipts & Expected Receipts	\$ 165,639
Disbursements through 6/7	
Operating Costs	(11,867)
Estate Admin Costs	(10,154)
Lender Adequate Protection	(7,179)
	<u>(29,200)</u>
Net Cash Balance & Expected Receipts	136,439
Expected Disbursements 6/8 to 8/31	
Lender Paydown - Settlement Agreement	(31,500)
Estate Litigation Fund -Settlement Agreement	(5,500)
Operating Costs	(1,066)
Estate Admin Costs	(4,647)
Lender Adequate Protection	(2,418)
	<u>(45,131)</u>
Expected Net Cash Balance & Expected Receipts as 8/31	\$ 91,308
Funding at Effective Date of Plan of Liquidation	
Administrative Reserve	\$ 3,700
Priority Claim Reserve	1,000
503(b)9 Claim Reserve	2,000
Ownership Reserve (estimate)	\$ 84,608

Note:

- (a) Excludes any expected recoveries from any causes of actions
- (b) Excludes any expected recoveries from various consignment parties who are holding RMC product.

In re: Miami Metals

**Customer Claims by "Bucket"
(000's)**

Bucket 1	RMC Standard Terms & Conditions	\$	23,596
Bucket 2	Finished Goods Based on Prepayments		15
Bucket 3	RMC Contract Form A		23,090
Bucket 4	RMC Contract Form B		13,032
Bucket 5	RMC Contract Form C		19,335
Bucket 6	RMC Contract Form D		87
Bucket 7	Tiffany's Form Merchandise Vendor Agreement		20,809
Bucket 8	Purported Lease Agreement		16,694
Bucket 9	RTMM Creditor Claims		<u>15,610</u>
	Total	\$	<u><u>132,268</u></u>