

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

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CRYSTALLEX INTERNATIONAL CORP., )  
 )  
Plaintiff, )  
 )  
v. ) Misc. No. 17-151-LPS  
 )  
BOLIVARIAN REPUBLIC OF VENEZUELA, )  
 )  
Defendant. )  
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**SPECIAL MASTER'S MONTHLY REPORT  
FOR THE PERIOD ENDED MARCH 31, 2024**

Dated: June 20, 2024

**BY HAND DELIVERY & CM/ECF**

The Honorable Leonard P. Stark  
United States District Court for the District of Delaware  
J. Caleb Boggs Federal Building  
844 North King Street  
Wilmington, DE 19801-3570

Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A.  
No. 1:17-mc-00151-LPS; Special Master's Status Report for the Period Ended  
March 31, 2024 (this "**Report**")

Dear Judge Stark:

By order dated April 13, 2021 [D.I. 258], Your Honor appointed me as Special Master in this case to design, oversee, and implement the sale of Petroleos de Venezuela, S.A.'s ("**PDVSA**") shares of PDV Holding Inc. On May 27, 2021, Your Honor issued the *Order Regarding Special Master* [D.I. 277] (the "**May 27 Order**")<sup>1</sup> setting forth, among other things, various obligations and duties applicable to the Special Master, the Parties, and ConocoPhillips (together with the Parties, the "**Sale Process Parties**"), including my obligation to provide the Court with a periodic status report concerning my progress and efforts. The last report that I submitted to the Court was for the period ending February 29, 2024 [D.I. 1179] (the "**February 2024 Report**"). I hereby write to provide this Report for the period since the February 2024 Report through March 31, 2024.

**Summary of Events Taking Place since February 29**

During March 2024, I have undertaken the following actions, with the assistance of my advisors (collectively, the "**Advisors**"), in accordance with my duties and obligations set forth in the May 27 Order:

- Engaged in various work streams related to the Marketing Process in furtherance of my obligations under the Sale Procedures Order, including:
  - Negotiating Non-Disclosure Agreements (the "**NDA**s") with Potential Bidders<sup>2</sup> in consultation with my Advisors and, as necessary, CITGO's management team;

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<sup>1</sup> All capitalized terms used but not otherwise defined herein, have the meanings ascribed to such terms in the May 27 Order and the Sixth Revised Proposed Order (A) Establishing Sale and Bidding Procedures, (B) Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order, (C) Affirming Retention of Evercore as Investment Banker by Special Master and (D) Regarding Related Matters [D.I. 481] (the "**Sale Procedures Order**").

<sup>2</sup> As defined under the Bidding Procedures [D.I. 480-1].

- Negotiating and drafting an NDA with CITGO;
  - Regularly meeting with CITGO's management team regarding outstanding diligence, reviewing and responding to diligence requests from Potential Bidders, and analyzing documents in connection therewith;
  - Reviewing management presentation for Potential Bidders;
  - Evaluating potential transaction structures with my Advisors;
  - Preparing documentation related to a potential Sale Transaction, including the Stock Purchase Agreement and related documentation, and conducting analysis and research related thereto;
  - Continuing to review and analyze Round 1 non-binding indications of interest ("*IOIs*") and conferring with the Sale Process Parties regarding the same;
  - Conducting analysis and research of potential antitrust matters related to potential transaction structures;
  - Reviewing and analyzing due diligence materials and information provided by CITGO's management team in the Data Room (as defined in the Bidding Procedures);
  - Conducting due diligence calls with the CITGO management team and advisors related to employee benefit issues; and
  - Preparing and negotiating Clean Team Agreements in connection with Potential Bidder access to due diligence materials.
- Carried out Your Honor's directives under the *Memorandum Order* dated October 11, 2023 (the "***October 11, 2023 Order***") [D.I. 738], adopting the Special Master's recommendations for procedures implementing the various milestones established by the *Memorandum Order* dated July 27, 2023 [D.I. 646] (the "***July 27, 2023 Order***") as set forth in the Joint Status Report, dated August 24, 2023 [D.I. 693] (the "***August 24 Status Report***") including:
    - Meeting and conferring with the U.S. Marshals Service and the Clerk of Court regarding procedures for implementing the amended priority arrangement procedures pursuant to the *Order Granting Amendment of Certain Priority Arrangement Procedures*, dated February 27 2024 [D.I. 990] (the "***Priority Procedures Order***"), managing and coordinating execution of the procedures, and responding to inquiries from the Additional Judgment Creditors regarding the same;

- Reviewing Additional Judgment Creditor and Crystallex status reports and supplemental reports, confirming completion of Step 6 pursuant to Your Honor’s Memorandum Order (the “**July 27 Order**”) [D.I. 646], as well as proposed writs of attachment filed by the Additional Judgment Creditors;
  - Convening with Crystallex and Additional Judgment Creditors for service of the Service Packages (as defined in the *Writ Order* [D.I. 1036]) on the U.S. Marshals Service, reviewing the related affidavits of service, and conferring with the Clerk of Court and the U.S. Marshals Service regarding the implementation of the deadlines and milestones set forth in the Priority Procedures Order;
  - Preparing a proposed form of the *Final Priority Order*, dated April 3, 2024 [D.I. 1102] (the “**Final Priority Order**”), confirming the priority set forth in the Priority Order (as defined in the August 24 Status Report) and directing the U.S. Marshals Service to serve the Additional Judgment Creditor on the PDVH Shares (as defined in the Sale Procedures Order) in the order of priority set forth in the Final Priority Order;
  - Preparing the Steps Chart (as defined under the October 11, 2023 Order) and filing the *Letter to the Honorable Leonard P. Stark from Special Master Robert B. Pincus Regarding the Final Priority*, dated April 1, 2024 [D.I. 1101], related to the same; and
  - Preparing the Special Master’s *Status Report Confirming Received of Service of Writs of Attachment Fieri Facias*, dated April 5, 2024 [D.I. 1108] confirming that the Additional Judgment Creditors’ writs of attachment were served on the PDVH Shares in the order of priority set forth in the Final Priority Order.
- Conferred with my Advisors and Potential Bidders regarding the PDVSA 2020 Bondholder litigation and its potential implications for the Marketing Process.
  - Reviewed and analyzed motions and related filings in *Petróleos de Venezuela S.A., et al. v. MUFG Union Bank, N.A. et al.* (No. 20-3858) (“**2020 Bondholder Case**”) regarding the validity of the PDVSA 2020 Bondholders’ pledge.
  - Analyzed and reviewed *Adelso Adrianza’s Motion to Intervene and for Order to Assign Property Rights Abandoned by Crystallex to Its Estate and Shareholders*, dated March 12, 2024 [D.I. 1041].
  - Analyzed and discussed potential transaction structures related to the PDVSA 2020 Bondholders with Potential Bidders, the PDVSA 2020 Bondholders, and the Sale Process Parties, respectively.

- Prepared for and participated in an *ex parte* meeting with Your Honor and my Advisors on March 29, 2024, and filed a notice of the same [D.I. 1098] in accordance with Your Honor's *May 10, 2023 Memorandum Order* [D.I. 559] and *July 17, 2023 Memorandum Order* [D.I. 643].
- Considered Office of Foreign Assets Control (the "**OFAC**") licensing in connection with a Sale Transaction (as defined in the Sale Procedures Order) and conducted research and analyses related to the same.
- Conducted research in support and preparation of the Sale Motion and Order.
- Prepared and filed the *Special Master's Monthly Report for the Period Ended December 31, 2023* [D.I. 998].
- Reviewed various materials responsive to Freedom of Information Act requests initiated by the Venezuela Parties against the Department of Justice, conferred with Department of Justice representatives, and conducted research and analysis regarding the same.

### **Statement of Fees and Expenses**

The May 27 Order requires that I submit an Itemized Statement of my fees and expenses to the Court. During the period from March 1, 2024 to March 31, 2024, my Advisors and I have incurred an aggregate of \$1,319,603.90 of fees and expenses in connection with carrying out my duties as Special Master, as shown in the table below. Pursuant to the Sale Procedures Order *Memorandum Order* dated January 8, 2024 [D.I. 838] (the "**January 8 Order**"); *Oral Order* dated January 24, 2024 [D.I. 886] (the "**January 24 Order**"), each Sale Process Party and Additional Judgment Creditor is required to make prompt payment of its allocation of Transaction Expenses as a condition to retaining its status as an Additional Judgment Creditor. Following the approval by the Court of the Transaction Expenses described in this Report, the Special Master will send an invoice to each Sale Process Party and Additional Judgment Creditor setting forth the amount such party is required to pay, as well as wire instructions for payment. All Transaction Expenses will be paid per capita by each Sale Process Party and Additional Judgment Creditor.

<b>Special Master</b>	\$27,122.50
<b>Weil, Gotshal &amp; Manges LLP</b>	\$1,052,062.67
<b>Evercore</b>	\$227,957.33
<b>Potter Anderson &amp; Corroon LLP</b>	\$12,461.40
<b>Total</b>	\$1,319,603.90

This amount includes the monthly fees and expenses of counsel in connection with the matters described above and the monthly fees of my financial advisor, Evercore, for March, in connection with their assistance with the preparation for the Marketing Process, including the performance of due diligence and related analysis. The Itemized Statement, attached as Annex W hereto, contains a breakdown of such fees and expenses among my Advisors and myself. I

respectfully request that Your Honor determine that such fees and expenses are regular and reasonable. A proposed form of order is enclosed for Your Honor's consideration.

I am available at the convenience of the Court, should Your Honor have any questions.

Respectfully Yours,

/s/ Robert B. Pincus

Robert B. Pincus, in my capacity as  
Special Master for the United States  
District Court for the District of  
Delaware

Enclosures

cc: All Counsel of Record (via CM/ECF and E-Mail)