

## Monthly Operating Report

### CHAPTER 11

CASE NAME: Mississippi Phosphates Corporation

CASE NUMBER: 14-51671

For Period: March 1 to March 31, 2016

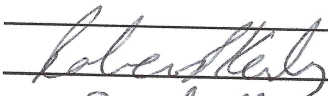
THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH. The debtor must attach each of the following forms unless the United States Trustee has waived the requirement in writing. File with the court and submit a paper copy to UST with an original signature.

Form Attached (mark only one - attached or waived)	Previously Waived	REQUIRED REPORTS/DOCUMENTS
(X)	()	Comparative Balance Sheet (FORM 2-B)
(X)	()	Profit and Loss Statement (FORM 2-C)
(X)	()	Cash Receipts & Disbursements Statement (FORM 2-D)
(X)	()	Supporting Schedules (FORM 2-E)
(X)	()	Narrative (FORM 2-F)
(X)	()	Copies of Bank Statement(s) and Reconciliations of Bank Balance for all account(s)

I declare under penalty of perjury that the following Monthly Operating Report and any attachments therefor, are true and correct to the best of my knowledge and belief.

Executed on: 6-16-16  
(date)

Debtor(s)\* Mississippi Phosphates Corporation

By:\*\* 

Position: ~~CEO~~ Board Member

Name of Preparer: Robert Kerley

Telephone No. of Preparer: \_\_\_\_\_

\* both debtors must sign if a joint petition

\*\* for corporate or partnership debtor

MPC Consolidating Balance Sheet  
(Amounts in Thousands USD)

	MPC		ATS		SATS		MPC	
	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	3/31/2016
			Adjusted Balances	Adjusted Balances	Adjusted Balances	Adjusted Balances	Eliminations	Balances
Petty Cash	2	2					-	2
Wells Fargo Bank Funding							-	-
MPC DIP Account	141	155					-	141
MPC DIP Tax Account	40	40					-	40
MPC Employee Health Benefit Account							-	-
Wells Fargo Disbursement							-	-
Merchange & Marine Plt Mgr							-	-
PHI Cash							-	-
Total Cash	182	197					-	182
Deferred Income Taxes - Current	5,004	5,004					-	5,004
A/R - Trade							-	-
A/R - Misc Trade							-	-
Total A/R - Trade							-	-
A/R - Other	11	11					-	11
A/R - OCP							-	-
A/R - Intercompany	2,921	2,921					-	2,921
A/R - Ammonia Tank Subsidiary							-	-
A/R - Sulfuric Acid Tank Subsidiary							-	-
Note Receivable - PHI/MPC							-	-
Interest Receivable - PHI/MPC							-	-
Total A/R - Other	2,932	2,932					-	2,932
Workers Compensation Deposit							-	-
Prepaid Insurance	7	7					-	7
Deposits and Retainers							-	-
Transammonia Inv Valuation Deposit							-	-
Prepaid Other							-	-
Raw Material Deposits-Exxon Mobil							-	-
ST Freight Deposits							-	-
Raw Material Deposits-Chevron							-	-
Raw Material Deposits-Shrieve							-	-
Raw Material Deposits-Trammo Ammonia							-	-
Prepaid Turnaround Cost							-	-
DAP Inventory Delivered not Billed							-	-
Total Prepaid & Other Current	7	7					-	7
DAP - Finished Goods Inventory							-	-
Sulfuric Acid							-	-
Phos Acid							-	-
Total Intermediary Products Inventory							-	-
Phos Rock							-	-
Sulfur							-	-
Purchased SA							-	-
Raw Material Deposits							-	-
Chemicals							-	-
Total Raw Materials Inventory							-	-
Spare Parts & Supplies							-	-
Spare Parts Out for Repair							-	-
Spare Parts - Transfer to Capital Spares							-	-
Total Spare Parts Inventory							-	-
Total Inventories							-	-
Total Current Assets	8,126	8,140					-	8,126
Investment in MPC							-	-
PHI Other Assets							-	-
Deferred Loan Costs	481	481					-	481
Morgan Keegan - Gyp Closure							-	-
LT Freight Deposits							-	-
LT Deferred Tax Asset							-	-
Investment - Ammonia Tank Subsidiary							-	-
Investment - Sulfuric Acid Tanks Sub							-	-
Total Other LT Assets	481	481					-	481
Buildings - Non Katrina							-	-
Buildings - Katrina							-	-
Land Improvements-2010							-	-
Land Improvements-2011							-	-
Land Improvements-2012							-	-
Land Improvements-2013							-	-
Site Improvements							-	-

MPC Consolidating Balance Sheet (Amounts in Thousands USD)	MPC		ATS		SATS		MPC	
	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	3/31/2016
				Adjusted Balances		Adjusted Balances	Eliminations	Balances
Apparatus & Machinery								
Katrina Equipment								
Other Equipment - Non Katrina								
Other Equipment - Katrina								
Plant Rolling Stock - Non Katrina								
Plant Rolling Stock - Katrina								
Office Furn & Fix - Non Katrina								
Office Furn & Fix - Katrina								
Capital Spare Parts								
Total Machinery & Equipment								
A/D - Land-2010								
A/D - Land-2011								
A/D - Land-2012								
A/D - Land-2013								
A/D - Buildings - Non Katrina								
A/D - Buildings - Katrina								
A/D - Site Improvements								
A/D - Apparatus & Machinery								
A/D - Apparatus & Machinery								
A/D - Other Equipment - Non Katrina								
A/D - Other Equipment - Katrina								
A/D - Plant Rolling Stock - Non Katrina								
A/D - Plant Rolling Stock - Katrina								
A/D - Office Furn & Fix - Non Katrina								
A/D - Office Furn & Fix - Katrina								
A/D - Capital Spare Parts								
Total Accumulated Depreciation								
Construction in Progress								
Total Net PP&E								
<b>Total Assets</b>	<b>8,607</b>	<b>8,621</b>						<b>8,607</b>
A/P - Trade (Post Petition)	(1)	174						(1)
A/P - Trade (Pre-Petition)	27,657	27,657						27,657
Payroll Liabilities								
A/P-Accr								
A/P-ATS	(8)	(8)	8	8				(0)
A/P-SATS	(14)	(14)			14	14		(0)
A/P - PHI	62	62						62
A/P - MPC								
Total Accounts Payable	27,696	27,871	8	8	14	14		27,718
Accrued Other	399	399						399
Accrued Other - Rock	-	-						-
Accrued Environmental Remediation	-	-						-
Accrued Rock Price Adj	-	-						-
Accrued Competitive Discounts	-	-						-
Accrued Medical Claims - IBNR	-	-						-
Spare Parts Received Not Billed	81	81						81
Accrued Workers Comp - IBNP	383	383						383
Accrued Hospital Insurance	-	-						-
United Way Contribution	-	-						-
HBP Revolver	9,067	9,067						9,067
Butler Snow Escrow	(1,859)	(1,859)						(1,859)
UCC Escrow	(425)	(425)						(425)
Notes Payable - HBP	-	-						-
Accrued Interest - PHI	-	-						-
Accrued Payroll	99	(62)						99
Accrued Vacations	-	-						-
Accrued Vacation Employee Bank	-	-						-
Accrued Compensation - SARS	-	-						-
Accrued Bonus	-	-						-
Accrued Audit Fees	-	-						-
Accrued Interest - Hudson	9,130	9,130						9,130
Accrued Property Tax	2,062	2,062						2,062
Accrued Franchise Tax	226	226						226
Accrued Use Tax	25	25						25
Accrued Interest - Ins Financing								
Total Accrued Liabilities	19,188	19,027						19,188
Total A/P & Accrued Expenses	46,884	46,898	8	8	14	14		46,906
Hudson Bay LTD	31,000	31,000						31,000
Notes Payable - PHI/MPC	5,968	5,968						5,968
Notes Payable - Equipment Financing								
Notes Payable - Ins Financing								
Trammo Term Loan - Long Term								

MPC Consolidating Balance Sheet (Amounts in Thousands USD)	MPC		ATS		SATS		MPC	
	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	2/29/2016	3/31/2016	3/31/2016
				Adjusted Balances		Adjusted Balances	Eliminations	Balances
LT Notes Payable - Equipment Financing							-	-
Accrued Gypsum Disposal							-	-
Deferred Income Taxes - LT	1,262.79	1,262.79					-	1,263
Common Stock	1.00	1.00					-	1
Add'l Paid-In-Capital	29,877.00	29,877.00	2,861	2,861	3,111	3,111	-	35,849
Retained Earnings	-105,542.36	-105,542.36	(2,869)	(2,869)	(3,125)	(3,125)	-	(111,536)
Net Income	-843.38	-843.38	-	(0)			-	(843)
Total Shareholder's Equity	(76,508)	(76,508)	(8)	(8)	(14)	(14)	-	(76,530)
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>8,607</b>	<b>8,621</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>	<b>8,608</b>

## MCD Consolidating Profit and Loss Statement

**(Amounts in Thousands USD)**

Year to Date 03/31/2016

	MPC	ATS	SATS	MPC	MPC
	Adjusted Balances	Adjusted Balances	Adjusted Balances	Consolidated Eliminations	Consolidated Balances
DAP Sales	-	-	-	-	-
MAP Sales	-	-	-	-	-
Profit Share Income - Trammo	-	-	-	-	-
Customer Volume Discounts	-	-	-	-	-
Misc sales adj	-	-	-	-	-
Stg & Handling - Trammo Sales	-	-	-	-	-
Net Sales - DAP	-	-	-	-	-
Net Sales - Other	-	-	-	-	-
PHI Management Services Income	-	-	-	-	-
PHI Sales Commissions	-	-	-	-	-
Total Net Sales	-	-	-	-	-
Total Cost of Sales	-	-	-	-	-
Gross Profit (Loss)	(46)	-	-	-	(46)
Total Selling, General & Admin Exp	29	-	-	-	29
Insurance Recoveries	-	-	-	-	-
Environmental Remediation	-	-	-	-	-
Operating Income (Loss)	(75)	-	-	-	(75)
Total Interest, Net	-	-	-	-	-
Total Other, Net	(763)	-	-	-	(763)
Income (Loss) Before Taxes	(838)	-	-	-	(838)
Income Tax Expense	-	-	-	-	-
Net Income (Loss)	(838)	-	-	-	(838)

**Mississippi Phosphates Corporation  
For the Period of March 1 thru March 31, 2016**

**Cash Reconciliation**

Beginning Cash Balance	\$	257,126
Cash Receipts (ties to Form 2-D)	\$	1,339
Cash Disbursements (ties to Form 2D)	\$	(15,495)
Net Cash Flow	\$	(14,157)
Ending Cash Balance (ties to Form 2B)	\$	242,969

**Cash Summary - Ending Balance**  
**Amount**

Financial Institution

Real Estate Account			
Trust Account	\$	-	
Operating and / or Personal Account	\$	-	
DIP Funding Account	\$	201,118	WF DIP Funding Account
Payroll Account			
Tax Account	\$	40,351	Wells Fargo
Control Disbursements	\$	-	
Other Accounts (Specify savings or checking)	Checking	\$ -	
Other Accounts (Specify savings or checking)	Checking	\$ -	
Cash Collateral Account			
Petty Cash	\$	1,500	Cash on hand
 Total Cash (must agree with above ending Cash)	\$	242,969	

Adjusted Cash Disbursements: \_\_\_\_\_

Cash disbursements above less inter-account transfers and UST fees paid (to be used to determining quarterly UST fee)

**Mississippi Phosphates Corporation**

MPC Quarterly Fee Summary

March 31, 2016

<u>Payment Date</u>	<u>Cash Disbursements</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date</u>	
January	\$ 940,535.82				\$ (764,273.00) \$ 176,262.82
February	\$ 33,772.82				\$ 33,772.82
March	\$ 15,495.48				\$ 15,495.48
Total 1st Quarter	\$ 989,804.12	\$ 1,950.00	58277	4/22/2015	\$ 225,531.12
April					
May					
June					
Total 2nd Quarter	\$ -	\$ 13,000.00	60187	7/15/2015	
July					
August					
September					
Total 3rd Quarter	\$ -	\$ 13,000.00	60392	10/16/2015	
October					
November					
December					
Total 4th Quarter	\$ -	\$ -			

**Mississippi Phosphates Corporation**

Cash Disbursements march 2016				
Date	Check No.-TO	Vendor	DESCRIPTION	AMOUNT
3/11/2016			Over the counter Depsoit	\$ (1,702.37)
3/23/2016			Over the counter Depsoit	\$ (2.14)
3/24/2016			Over the counter Depsoit	\$ (186.12)
3/4/2016		Brown, Mitchell & Alexander, Inc.		\$ (10,148.64)
3/10/2016		Robert P. Kerley		\$ (1,000.00)
3/10/2016		VFTC		\$ (1,664.03)
3/16/2016		MS Dept of Revenue		\$ (100.00)
3/16/2016		MAILFINANCE		\$ (92.18)
3/29/2016		Jeffrey Bowman		\$ (600.00)

**Grand Total** (15,495.48)

**Tax Account**  
 petty cash -  
 Employee benefit account -  
 Plant Managers Account -  
**Total disbursements** (15,495.48)



**Mississippi Phosphates Corporation**

<b>Cash Receipts March 2016</b>			
<b>Date</b>	<b>Request</b>	<b>Description</b>	<b>Receipts</b>
3/3/2016		Over the counter deposit	\$ 1,223.08
3/16/2016		Over the counter deposit	\$ 90.45
3/30/2016		Over the counter deposit	\$ 25.00

<b>Grand total</b>	<b>\$1,338.53</b>
Tax accounts	0.00
petty cash	-
Employee benefit account	-
Plant Managers Account	
MPC DIP Account	
	<u><u>\$1,338.53</u></u>

**Phosphate Holdings Inc.**  
**Phosphate Holdings Inc. : Mississippi Phosphates Corporation**  
**Custom A/P Aging Summary**  
**As of March, 2016**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
BROCK SERVICES, LTD	0.00	0.00	0.00	0.00	3,490.56	3,490.56
JACKSON COUNTY PORT AUTHORITY	0.00	0.00	-691.94	0.00	0.00	-691.94
JOE TUCKER, TAX COLLECTOR	0.00	0.00	0.00	0.00	149,682.69	149,682.69
PASCAGOULA UTILITIES	0.00	0.00	0.00	2,017.78	0.00	2,017.78
U.S. Trustee	0.00	0.00	0.00	0.00	0.00	0.00
USA BLUE BOOK	0.00	0.00	534.17	0.00	0.00	534.17
Vanguard	19,181.67	0.00	0.00	0.00	0.00	19,181.67
	<b>19,181.67</b>	<b>0.00</b>	<b>-157.77</b>	<b>2,017.78</b>	<b>153,173.25</b>	<b>174,214.93</b>

**Mississippi Phosphates Corporation  
Customer A/R Aging Summary 2  
As of March 31, 2016**

**Filters: Amount Due (not equal to From: 0.0 ), Name (equal to A/R - Trade )**

Customer:Work Order	Current	12/17/2014 - 1/15/2015 (30)	11/17/2014 - 12/16/2014 (60)	10/18/2014 - 11/16/2014 (90)	Before 10/18/2014 (>90)	Total
	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Debruce Fertilizer, INC	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,357.17)	(\$5,357.17)
Growmark, Inc	\$0.00	\$0.00	\$0.00	\$0.00	(\$33,709.19)	(\$33,709.19)
Stuart Farm Center	\$0.00	\$0.00	\$0.00	\$0.00	\$559.20	\$559.20
Ammonia Tanks Subsidiary	\$0.00	\$0.00	\$0.00	\$0.00	\$1,137,392.00	\$1,137,392.00
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,098,884.84</b>	<b>\$1,098,884.84</b>
<b>Inter-Oceanic Corp.</b>					<b>\$0.00</b>	<b>\$0.00</b>
Less Reserve for Doubtful Accounts					(\$1,098,884.84)	(\$1,098,884.84)
<b>Net AR Outstanding</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Mississippi Phosphates Corporation  
As of March 31, 2016  
Insurance Schedule

<u>Type</u>	<u>Carrier / Agent</u>	<u>Coverage</u>	<u>Date of Expiration</u>	<u>Premium Paid</u>
Workers Compensation	New Hampshire Ins. (AIG)	Statutory + 1M employer	22-Dec-15	237,686
General Liability	National Union (AIG)	1,000,000	22-Dec-15	26,528
Property (Fire, Theft)	AIG & Lloyds of London	100,000,000	22-Dec-15	1,783,031
Vehicle	Granite State Insurance Co. (AIG)	2,000,000	22-Dec-15	32,074
Other				
Other:				
Foreign Liability	ACE	1,000,000	22-Dec-15	2,500
Marine Liability	Travelers Group	5,000,000	22-Dec-15	12,500
Hull / P&I	Travelers Group	1,037,500	22-Dec-15	5,720
Umbrella Liability	National Union (AIG)	25,000,000	22-Dec-15	188,346
Environmental	AIG	10,000,000	22-Dec-15	357,158
Fiduciary	XL Specialty Insurance Company	5,000,000	23-Dec-15	25,000
Emp. Practices Liab.	XL Specialty Insurance Company	5,000,000	23-Dec-15	75,000
Crime	U.S. Specialty Ins. Co.	1,000,000	22-Mar-16	4,342
Director and Officer	Endurance American Insurance Compan	10,000,000	31-Oct-15	14,900 (A)
Kidnap & Ransom	Federal Insurance Company (Chubb)	5,000,000	22-Dec-16	5,250

Note: Insurance is purchased by MPC for the consolidated group without segregation between the individual operations. The amounts above reflect the insurance in place for the entire group till expiration of the particular policy. Additionally, we increased the collateral on the workers compensation insurance from \$1,500 thousand to \$1,850 thousand at the time of the renewal in December 2014.

(A) In September 2015, the company obtained a one month coverage for D&O as noted above to cover the period from Oct. 1 to October 31, 2015.

MISSISSIPPI PHOSPHATES CORPORATION  
 DEBTOR-IN-POSSESSION  
 CASE NO. 14-51667-KMS  
 601 INDUSTRIAL RD  
 PASCAGOULA MS 39581-3233

### Questions?

Call your Customer Service Officer or Client Services  
**1-800-AT WELLS** (1-800-289-3567)  
 5:00 AM TO 8:00 PM Pacific Time Monday - Friday

Online: [wellsfargo.com](http://wellsfargo.com)

Write: Wells Fargo Bank, N.A. (182)  
 PO Box 63020  
 San Francisco, CA 94163

## Account summary

### WellsOne® Account

Account number	Beginning balance	Total credits	Total debits	Ending balance
4202608733	\$222,421.86	\$1,338.53	-\$22,642.48	\$201,117.91

### Credits

#### Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	03/03	1,223.08	Over The Counter Deposit
	03/16	90.45	Over The Counter Deposit
	03/30	25.00	Over The Counter Deposit
		<b>\$1,338.53</b>	<b>Total electronic deposits/bank credits</b>
		<b>\$1,338.53</b>	<b>Total credits</b>

### Debits

#### Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	03/11	1,702.37	Client Analysis Srvc Chrg 160310 Svc Chge 0216 000004202608733
	03/23	2.14	Intuit Payrollee 160322 3297289 Mississippi Phosphates
	03/24	186.12	C & C Sisdat-Aeg DTC 16085 Crawford & Company
		<b>\$1,890.63</b>	<b>Total electronic debits/bank debits</b>

#### Checks paid

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
60158	250.00	03/04	60450	10,148.64	03/07	60452	1,664.03	03/15
60449*	7,497.00	03/08	60451	1,000.00	03/30	60453	100.00	03/21

(182)  
 Sheet Seq = 0147985  
 Sheet 00001 of 00002



Checks paid (continued)

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
80454	92.18	03/23						
		<b>\$20,751.85</b>	<b>Total checks paid</b>					
* Gap in check sequence.								
		<b>\$22,642.48</b>	<b>Total debits</b>					

Daily ledger balance summary

Date	Balance	Date	Balance	Date	Balance
02/29	222,421.86	03/08	205,749.30	03/21	202,373.35
03/03	223,644.94	03/11	204,046.93	03/23	202,279.03
03/04	223,394.94	03/15	202,382.90	03/24	202,092.91
03/07	213,246.30	03/16	202,473.35	03/30	201,117.91
<b>Average daily ledger balance</b>		<b>\$207,158.84</b>			

**WellsOne<sup>®</sup> Account**

Account number: 4128195625 ■ March 1, 2016 - March 31, 2016 ■ Page 1 of 1



MISSISSIPPI PHOSPHATES CORPORATION  
 DEBTOR-IN-POSSESSION TAX ACCOUNT  
 CASE NO. 14-51667-KMS  
 601 INDUSTRIAL RD  
 PASCAGOULA MS 39581-3233

Questions?

Call your Customer Service Officer or Client Services  
 1-800-AT WELLS (1-800-289-3557)  
 5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: [wellsfargo.com](http://wellsfargo.com)

Write: Wells Fargo Bank, N.A. (182)  
 PO Box 63020  
 San Francisco, CA 94163

**Account summary**

**WellsOne<sup>®</sup> Account**

Account number	Beginning balance	Total credits	Total debits	Ending balance
4128195625	\$40,350.94	\$0.00	\$0.00	\$40,350.94

Daily ledger balance summary

Date	Balance
02/29	40,350.94
<b>Average daily ledger balance</b>	
<b>\$40,350.94</b>	

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
SOUTHERN DIVISION**

<p><b>In re:</b> )</p> <p style="padding-left: 100px;">)</p> <p><b>MISSISSIPPI PHOSPHATES</b> )</p> <p style="padding-left: 40px;"><b>CORPORATION, <i>et al.</i></b><sup>1</sup> )</p> <p style="padding-left: 100px;">)</p> <p><b>Debtors</b> )</p> <hr style="width: 40%; margin-left: 0;"/>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p><b>CASE NO. 14-51667-KMS</b></p> <p><b>Chapter 11</b></p> <p><b>Jointly Administered</b></p>
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**NARRATIVE STATEMENT**

For Period March 1, 2016 to March 31, 2016

Please provide a brief description of the significant business and legal action by the debtor, its creditors, or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses, and purpose of any new post-petition financing. Comments should also include debtor’s efforts during the month to rehabilitate the business and to develop a plan.<sup>2</sup>

Mississippi Phosphates Corporation, *et al.*, the Debtors and debtors-in-possession herein (the “**Debtors**”), filed their Bankruptcy Cases on October 27, 2014 (the “**Petition Date**”). The Debtors have continued to operate and manage their businesses pursuant to Bankruptcy Code §§ 1107(a) and 1108.

As noted in the November 2015 Monthly Operating Report, on October 16, 2015 (the “**Closing Date**”), the Debtors closed the Alternative Transactions by transferring to the MPC Environmental Trust and to the MPC Liquidation Trust substantially all of its real and personal property. As of that date, the MPC Environmental Trustee assumed the responsibility for the wastewater treatment and the gyp stacks maintenance, while the MPC Liquidation Trustee assumed the responsibility for the ammonia terminalling operations of the Debtors. On November 3, 2015, the Debtors filed their *Notice of Closing of Sale of Assets to Environmental Trustee and Liquidation Trustee under Alternative Transaction* [Dkt. # 1070].

After the Closing Date, the Debtors’ professionals continued to work with professionals for the MPC Environmental Trustee, the MPC Liquidation Trustee, and the Environmental Agencies with respect to various financing and budget issues related to the transfers of assets of

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<sup>1</sup> The chapter 11 cases of the following affiliated Debtors have been administratively consolidated for joint administration pursuant to that certain *Order Granting Motion of the Debtor for Order Directing Joint Administration of Affiliated Cases Pursuant to Bankruptcy Rule 1015(b)*, dated October 29, 2014 [Dkt. # 62]: Mississippi Phosphates Corporation (“**MPC**”), Case No. 14-51667, Ammonia Tank Subsidiary, Inc. (“**ATS**”), Case No. 14-51668 and Sulfuric Acid Tanks Subsidiary, Inc. (“**SATS**”), Case No. 14-51671. These chapter 11 cases are sometimes referred to herein as the “**Bankruptcy Cases.**” Consequently, this Narrative describes developments in all three Bankruptcy Cases.

<sup>2</sup> All references to Docket Numbers are to the Docket in the MPC case, which is the Lead Case.

the Debtors to those two Trusts to ensure a smooth and orderly transition, as well as with respect to numerous operational, transitional, and legal issues related to the transfer of the Debtors' real and personal property to the appropriate trust, including a survey of the subject property, easements and other real estate title issues, and reviewing environmental permits to allocate permits to the appropriate Trust for future operations.

During March 2016, the Debtors' professionals continued to communicate with other interested parties, including:

- (a) counsel for the MPC Liquidation Trust and the MPC Environmental Trust on operational and financial matters, including the completion of a survey of the property formerly owned by the Debtors which had been transferred to the MPC Liquidation Trust and the MPC Environmental Trust;
- (b) special counsel for the Debtors and for PHI regarding the Protective BP Claim; and
- (c) counsel for the Official Committee of Unsecured Creditors regarding finalizing the Plan and Disclosure Statement.

On March 4, 2016, the United States Trustee filed that certain *United States Trustee's Motion to Convert or Dismiss* [Dkt. # 1106] (the "***Motion to Convert or Dismiss***"). On March 30, 2016, the Debtors filed their *Debtor's Response to United States Trustee's Motion to Convert or Dismiss* [Dkt. # 1115] in opposition to the Motion to Convert or Dismiss. The Official Committee of Unsecured Creditors, the Mississippi Department of Environmental Quality also filed response in opposition to the Motion to Convert or Dismiss. A hearing was held on April 7, 2016, where the interested parties reached an agreement. On April 13, 2016, the Court approved the agreement between the parties with its *Agreed Order* [Dkt. # 1125] allowing for a Chapter 11 plan and disclosure statement to be filed on or before April 29, 2016. A *Joint Chapter 11 Plan of the Debtors and the Official Committee of Unsecured Creditors* was filed on April 29, 2016 [Dkt. # 1128], and the *Disclosure Statement to Accompany the Joint Chapter 11 Plan of the Debtors and the Official Committee of Unsecured Creditors* also was filed on April 29, 2016 [Dkt. # 1130].