

# DOCKET



RE: 1:15-cv-00070-LAK ICBC (London) Plc v. The Blacksands Pacific Group, Inc. - URGENT CORRESPONDENCE

BRENNERMAN, R. J@The Executive Office  
12/11/2016 06:34 AM

To:

Andrew\_Mohan

Cc:

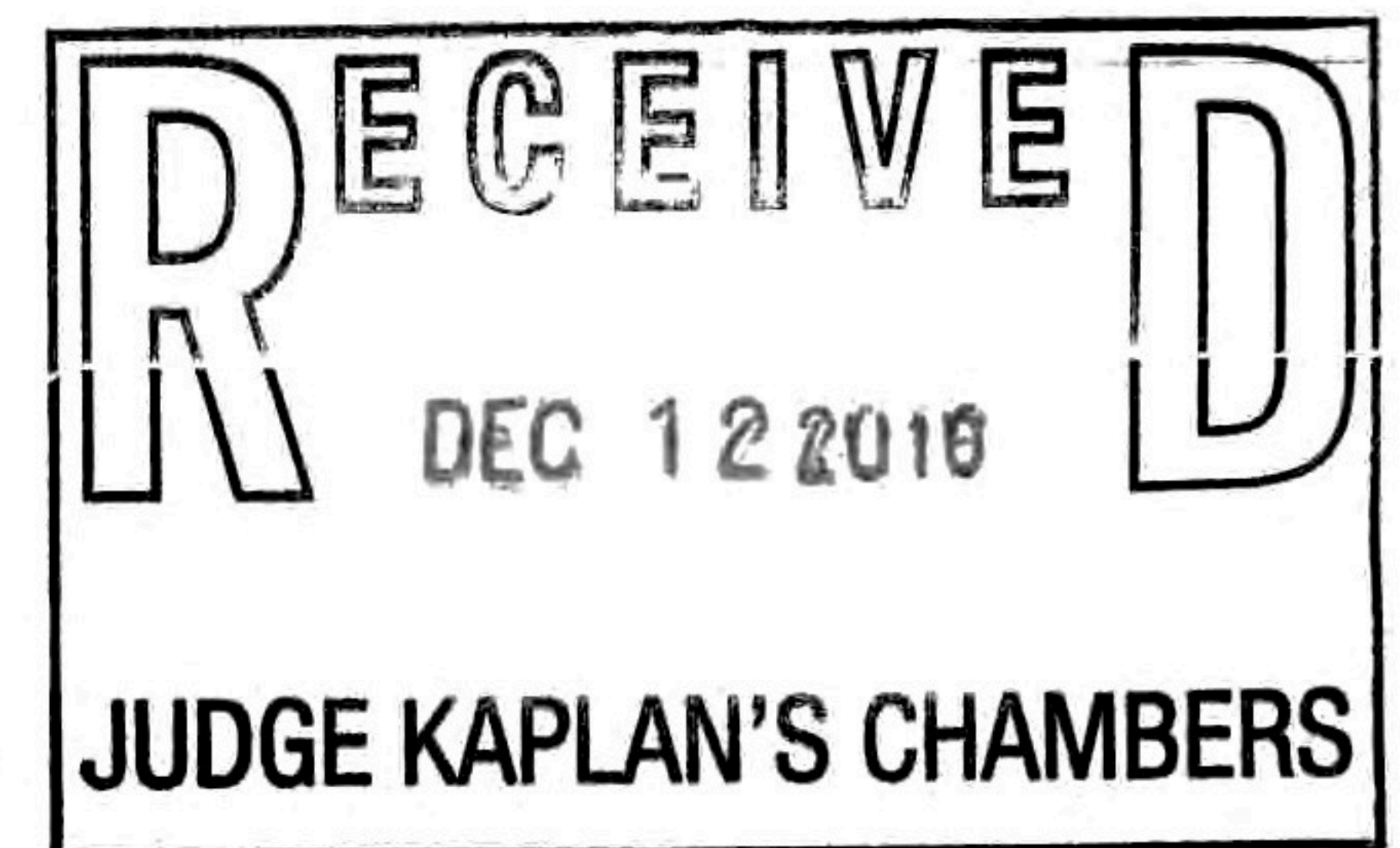
CHRISTOPHER.HARRIS, Virginia.Tent, "BRENNERMAN, R. J @The Executive Office"

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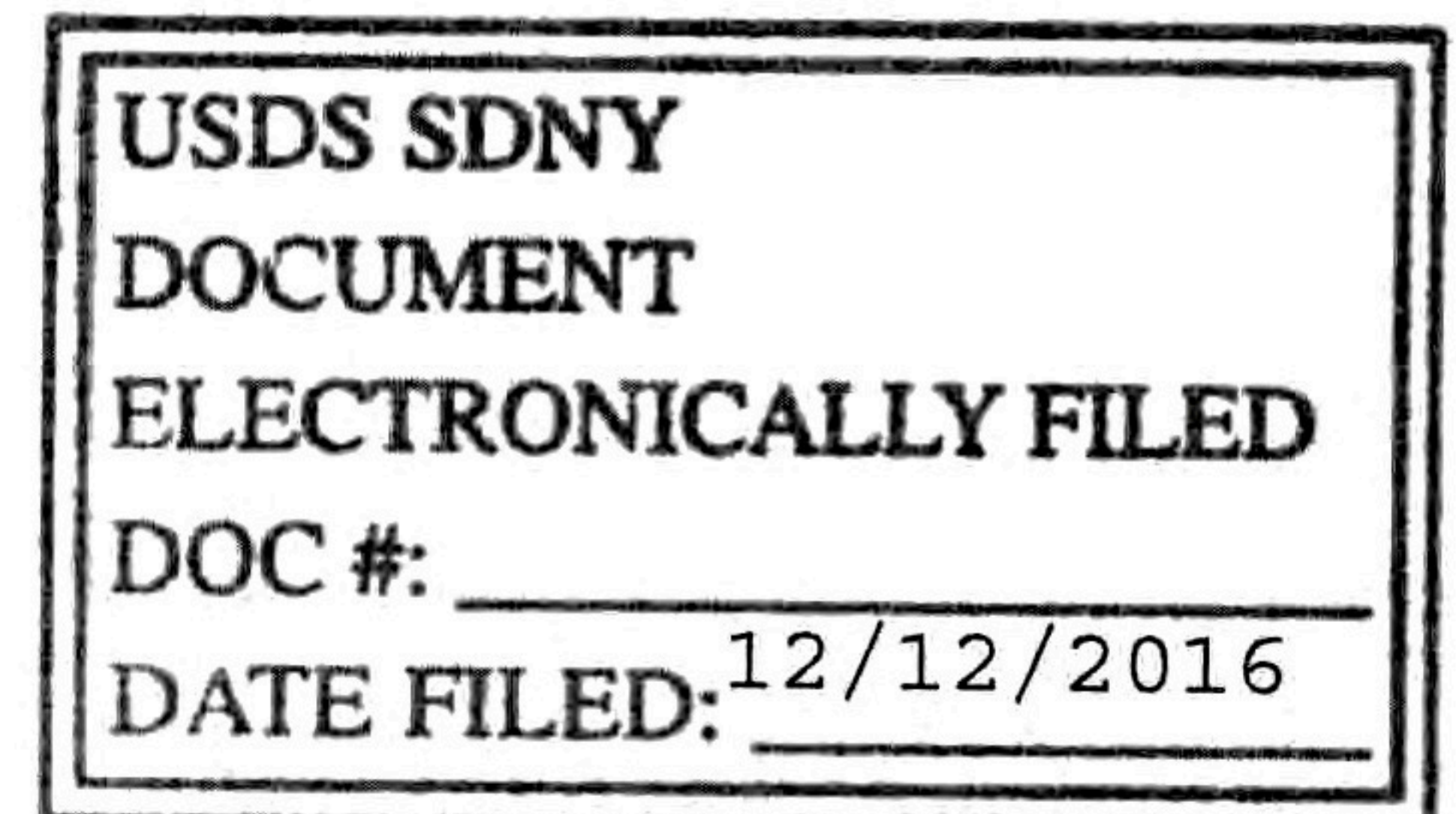
From: "BRENNERMAN, R. J @The Executive Office" <rbrennerman@blacksandspecific.com>

To: <Andrew\_Mohan@nysd.uscourts.gov>

Cc: <CHRISTOPHER.HARRIS@lw.com>, <Virginia.Tent@lw.com>, "BRENNERMAN, R. J @The Executive Office" <rbrennerman@blacksandspecific.com>



Please respond to "BRENNERMAN, R. J @The Executive Office" <rbrennerman@blacksandspecific.com>



1 Attachment



Letter to U.S District Court (12.10.16).pdf

**PRIVILEGED & CONFIDENTIAL CORRESPONDENCE**

Dear Mr. Andrew Mohan,

Enclosed is an urgent and confidential correspondence, which I submit for Hon. Judge Kaplan's attention.

Judge Kaplan made an order which has to be complied with by 4pm on Sunday, December 11, 2016, hence the enclosed urgent and confidential correspondence.

Please do not hesitate to contact me via email or cellphone - 917 699 6430 should you require any further clarifications.

Best regards

Raheem Brennerman

DUCKET

Raheem BRENNERMAN

Zurich, Switzerland

December 10, 2016

<b>USDS SDNY</b>
<b>DOCUMENT</b>
<b>ELECTRONICALLY FILED</b>
DOC #: _____
DATE FILED: <u>12/12/2016</u>

BY E-MAIL & COURIER

Hon. Lewis A. Kaplan  
United States District Court  
Southern District of New York  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street, Courtroom 21B  
New York, New York 10007

Regarding: ICBC (London) PLC v. The Blacksands Pacific Group, Inc., 15-cv 00070

Dear Judge Kaplan:

I write in connection with the motion for an Order to show cause for adjudication of contempt against Raheem Brennerman and imposition of coercive and compensatory sanctions submitted via e-mail on December 7, 2016. I am currently out of the United States, and I write to request more time to retain personal counsel to represent me because I am not a qualified attorney and am unable to represent myself. My initial intention upon receiving the motion documents was to retain Paul Weiss LLP, given that I previously engaged them for personal matters. However, I was advised by Ms. Loretta Ippolito on Friday, December 9, 2016, that Paul Weiss LLP would be unable to represent me or appear before you due to potential conflict and that I would need to retain new counsel.

I am currently in the process of engaging new personal counsel. However, I require more time to select and engage a new team that will be able to provide me with the representation that I require, especially given the personal prejudice against me that has been demonstrated by the plaintiff's counsel.

Separately, in an effort to seek settlement of the judgment amount on behalf of the defendant, The Blacksands Pacific Group, Inc., I met with representatives of ICBC (London) plc in London, along with one of the mandated exclusive financial arrangers and managers for the Blacksands Pacific companies, to discuss and present a settlement proposal to ICBC. The meeting was held on the eve of Thanksgiving (Wednesday, November 23, 2016) at the Exotix Partners office in London, at the request of ICBC (London) plc. I have enclosed a copy of the settlement proposal that we submitted to ICBC (London) plc on behalf of the defendant. Even following the submission of the enclosed settlement proposal, Exotix Partners continues to consider other settlement options that were requested by the ICBC (London) plc representatives during the meeting. Therefore, we find it surprising that even though we have not received any response from ICBC in respect to the submitted proposal, and even though Exotix Partners, London, continues to work at finding an alternative option for settling the judgment amount sooner than the time indicated in our settlement proposal, ICBC continues to seek further sanctions. This distracts us from being able to focus on resolving the matter and settling the judgment amount. To demonstrate our sincere commitment to resolving this matter and settling the judgment amount, I traveled to London last month to meet with representatives of ICBC (London) plc and Exotix Partners, London. We are determined to arrange an alternative and faster option for settling the judgment amount.

Page 2 of 2

Our main objectives have been to reach settlement of the judgment amount and resolve the ongoing issue rather than continuing to exhaust the court's time with various sanctions, to communicate that we require the cooperation of ICBC (London) plc, and to prevent their counsel, Mr. Hessler, from continuing to act upon his personal vendettas against me.

In light of the issues and points I have highlighted above, I respectfully request that I be allowed more time to retain qualified counsel to represent me so that I may provide a comprehensive and substantial response to the Order to show cause.

Respectfully,

A handwritten signature in black ink, appearing to read 'Raheem J. Brennerman', written in a cursive style.

Mr. Raheem J. BRENNERMAN

cc: Latham & Watkins LLP  
Attorney for defendant, The Blacksands Pacific Group, Inc.

BY E-MAIL

**BRENNERMAN, R. J @The Executive Office**

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**From:** "BRENNERMAN, R. J @The Executive Office" <rbrennerman@blacksandspacific.com>  
**Date:** Friday, December 9, 2016 6:23 AM  
**To:** "Ippolito, Loretta A" <lippolito@paulweiss.com>  
**Cc:** "Benson, Cheryl D" <cdbenson@paulweiss.com>; "BRENNERMAN, R. J @The Executive Office" <rbrennerman@blacksandspacific.com>  
**Attach:** BLACKSANDS PACIFIC GROUP + PERSONAL RE-ORGANIZATION.docx; ICBC Settlement Proposal.docx; EXHIBIT A.PDF; EXHIBIT B.PDF; EXHIBIT C.PDF; EXHIBIT D.PDF; EXHIBIT E.PDF; EXHIBIT F.PDF; EXHIBIT G.PDF; EXHIBIT H.PDF; EXHIBIT I.PDF; EXHIBIT J.PDF; EXHIBIT K.PDF; EXHIBIT L.PDF; EXHIBIT M.PDF; EXHIBIT N.PDF; EXHIBIT O.PDF; EXHIBIT P.PDF; EXHIBIT Q.PDF; ICBC Contempt Memo of Law.pdf; ICBC Contempt Order to Show Cause Brennerman.pdf; ICBC Hessler Declaration.pdf  
**Subject:** Re: Paul Weiss / Raheem Brennerman + Blacksands Pacific

Dear Ms. Ippolito,

Thank you for your email. I am currently overseas and need to speak with you about two matter, one quite urgent and the other is regarding our corporate and personal reorganization.

- 1). Enclosed is the re-organization proposal which I want to discuss with you – Blacksands Pacific Group + Personal Re-Organization
- 2). Enclosed is a court petition which I require urgent representation in Court.

Although the company met with the petitioners in London and submitted a settlement proposal to them (copy enclosed) they proceeded to file the enclosed petition in Court with the intention of piercing through the corporate veil to impose sanctions on me personally. Furthermore the asset transfer which they mention in their motions were concluded back in 2014 prior to commencing the litigation. Ideally the best situation will be to request for time from the Court in-order to provide a detailed and comprehensive response.

I am available on my cell (917 699 6430) to discuss anytime today

Best regards

**From:** Ippolito, Loretta A  
**Sent:** Thursday, December 8, 2016 6:57 PM  
**To:** Raheem J. Brennerman  
**Cc:** Benson, Cheryl D  
**Subject:** Call

Dear Mr. Brennerman: I have been in meetings all day and will not free up until about 8:30 this evening. Can we speak tomorrow morning? Thanks. Loretta

Loretta A. Ippolito | Partner  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas | New York, NY 10019-6064  
(212) 373-3368 (Direct Phone) | (212) 492-0368 (Direct Fax)  
lippolito@paulweiss.com | www.paulweiss.com

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12/10/2016

Without Prejudice; Settlement Communication Subject to FRE 408 and Similar Rules of Other Jurisdictions

Dear Sirs,

As discussed, below is the settlement proposal and associated background information.

SETTLEMENT

The Blacksands Pacific Group, Inc., and Blacksands Pacific Alpha blue, LLC shall pay the judgment amount of \$7.1 million as of (September 1, 2016) plus all accrued interest and legal fees until the payment date which is expect on or prior to January 31, 2017, based on the arrangement for Blacksands Pacific International Limited to provide \$11.25 million to The Blacksands Pacific Group, Inc., which will be used to settle all its outstanding liabilities. The \$11.25 million shall be provided upon Blacksands Pacific International Limited concluding part of its ongoing financing and the draw-down of the initial \$30 million from the ongoing committed financing from its offtake partner.

Blacksands Pacific International Limited has negotiated an offtake arrangement with a significant OFFTAKER on the basis that the Offtaker will provide \$300 million commitment to form part of the \$1.295 billion debt finance, with an upfront 10% - \$30 million which will be part used by Blacksands Pacific International Limited to pay \$11.25 million to The Blacksands Pacific Group, Inc. On November 22, 2016, the Offtaker confirmed their agreement to the proposed structure and the offtake, subject to receiving the financial model currently being developed by Exotix Partners and the updated confirmation letter which Blacksands Pacific International Limited recently requested from the Nigerian Petroleum Ministry, as well the transaction documentation between the Offtaker and the Blacksands Pacific International Limited subsidiaries and all required management approvals by the Offtaker, as confirmed by the Offtaker's Head of Structuring, Head of London Office and CEO.

In the interim Blacksands Pacific International Limited and Exotix Partners are also exploring other options (if possible) to secure financing solely to allow an earlier settlement of the ICBC matter, prior to the 2 months (end of January 2017), based on the discussion between Exotix Partners and ICBC (London) plc during the meeting at the Exotix Partners London office.

The above settlement proposal shall be agreed on the basis that:

- Blacksands Pacific International Limited shall assume the settlement amount from The Blacksands Pacific Group, Inc., so that Blacksands Pacific International Limited shall become responsible for the amount and The Blacksands Pacific Group, Inc., shall be released from any further liabilities.
- ICBC (London) plc and The Blacksands Pacific Group, Inc. shall jointly file motion to the Court to terminate the coercive sanction imposed on The Blacksands Pacific Group, Inc.
- Blacksands Pacific Alpha Blue, LLC shall withdraw all remaining counter-claim with the Court.
- Both parties shall waive all future liabilities and claims in respect of the debt.

Upon consulting with counsel, advisors and speaking with the Offtake partner, Blacksands Pacific International Limited concluded that rather than providing the Offtaker's details for ICBC (London) plc to pursue an independent confirmation of the Offtaker which the Offtaker did not agree with. Both Exotix

Partners and their attorney – Allen & Overy LLP shall provide the required confirmation to ICBC (London) plc.

**Fact**

The Blacksands Pacific Group, Inc., is not a single stock corporation (refer to background summary below). Mr. Brennerman has never held the stock of The Blacksands Pacific Group, Inc. However Mr. Brennerman is listed as one of the beneficiaries of the asset protection trusts, that own the majority stock of the Corporation. The trust are independent of Mr. Brennerman with professional trustees such as financial institutions and law firms. These information were already disseminated on the Corporation website and were already submitted to ICBC (London) plc as part of the U.S. Patriot Act and E.U. / U.K. Anti-Money laundry/ Know your client disclosures.

Mr. Brennerman does not own or control any assets, and only receives taxable distribution from the trusts at the trustee's sole discretion.

**FINANCING BACKGROUND**

Blacksands Pacific International Limited (BSPIL), the parent company of Blacksands Pacific Nigeria Limited (BSPNL), has mandated Renaissance Capital and Exotix Partners, as exclusive joint lead managers, joint lead arrangers, joint bookrunners and joint placement agents for the debt private placement.

Privately place US\$1.295 Billion 60 months debt finance at 10% flex interest paid bi-annually and bullet repayment at maturity through the issuance of a 144A / Reg. S high yield finance. Senior secured as first lien on all assets of Blacksands Pacific Nigeria Exploration and Production Limited (BSPNEPL) and Blacksands Pacific Nigeria E & P II Limited (BSPNEPIIL). This will be the only debt of BSPNEPL and BSPNEPIIL. *See below for illustration.*

**CAPITAL STRUCTURE (Based on Financial Model)**

Net Present Value	\$4,080 million
Total Debt Placement	\$1,295 million

Blacksands Pacific Nigeria Finance, LLC (BSPNFL), to be incorporated in the State of Delaware, United States and a fully owned subsidiary of Blacksands Pacific International Limited (BSPIL), shall be the borrower / issuer of the \$1.295 billion debt finance.

Both Blacksands Pacific Nigeria E & P II Limited (BSPNEPIIL) and its Strategic Alliance Agreements (SAAs) relating to Oil Mining Lease Blocks 26, 30, 34 and 42 (the Forcados Assets) and Blacksands Pacific Nigeria Exploration and Production Limited (BSPNEPL) and its SAAs relating to Oil Mining Lease Blocks 60, 61, 62 and 63 (the Brass Assets) shall provide 100% of the security.

Blacksands Pacific Energy Services Limited (BSPESEL), Blacksands Pacific Nigeria Exploration & Production Limited (BSPNEPL) and Blacksands Pacific Nigeria E & P II Limited (BSPNEPIIL) as Sellers, shall enter into a 3 Years Crude Oil Offtake arrangement for approximately 103 Million Barrels of Crude Oil, with the option for an additional 2 years extension, for the sale by the Seller and purchase by the Buyer of the Strategic Alliance Agreement (SAA) Crude Oil entitlements of BSPNEPL and BSPNEPIIL through the Forcados Terminal and the Brass Terminal.

The OFFTAKER (Buyer) is required pursuant to the Crude Oil Offtake arrangement to make a total commitment of Three Hundred Million United States Dollars (US\$300 million). 10% of the total commitment, Thirty Million United States Dollars (US\$30 Million), will be paid upfront and the balance of Two Hundred and Seventy Million United States Dollars (US\$270 Million) will be paid 2 months before the first crude oil lifting, at the time of the funding of the debt finance. The total commitment of US\$300

Million will then form part of the US\$1.295 Billion privately placed debt finance. *Please refer to the \$1.295 billion debt finance summary proposal*

Both debt finance proposal and crude oil offtake proposal shall be available to ICBC (London) plc upon ICBC (London) plc entering into a confidentiality agreement with Blacksands Pacific International.

#### BACKGROUND INFORMATION

The Blacksands Pacific Group, Inc. (BSPG), was incorporated in Delaware, United States, on April 30, 2010 (*see enclosed as exhibit 1*) and Blacksands Group Corp., a British Virgin Island corporation, transferred its business to BSPG. In 2013, BSPG reorganized its stockholdings to better reflect its business and offer more interest in the corporation in exchange for investment and financing. The stockholding of BSPG was structured as 450,000,000 Common Stock Class A; 100,000,000 Common Stock Class B; 100,000,000 Preferred Stock with 20,000,000 Series A, 50,000,000 Series B, and 30,000,000 Series C; and Warrants and Restricted Stock Class A (*see enclosed as exhibit 2*). Common Stock Class A was issued to the stockholders; the Preferred Stocks was issued to financiers and investors; the Warrants was issued to investors; and the Restricted Stock Class A was issued to management members.

Given the declining price of oil and its operational cost-reduction strategy, Blacksands Pacific sought and was offered a significant opportunity to acquire majority interest in an Africa-based corporation. BSPG stockholders immediately embarked upon a significant strategy to avert a total collapse or bankruptcy and focused on pursuing a core strategy that included (1) agreeing not to progress with any oil and gas leases that are no longer profitable; (2) liquidating noncore assets to generate liquidity; (3) resolving on December 1, 2014 to transfer the Bermuda-incorporated subsidiary of BSPG (Blacksands Pacific International Limited) to its majority stock stockholder, Alphablue Holdings I, LLC (*see enclosed as exhibit 3*); (4) resolving on December 1, 2014 to transfer certain subsidiaries of Blacksands Pacific Energy Corporation, Inc., a Delaware subsidiary of BSPG, to other stockholders; (5) seeking new investment partners to target opportunities arising from the slew of bankruptcies in the oil and gas industry due to the collapse in oil prices; (6) the new investment partners and stockholders of BSPG forming a new partnership focused on acquiring opportunities from bankruptcies in the United States at a significant discount, with the partners contributing their respective assets to the new partnership and the partnership acquiring the intellectual property of BSPG and its remaining subsidiaries – BSPEC and BSPAB. BSPG, including its remaining subsidiaries, will use the funds to settle all outstanding liabilities. Finally, BSPG and its remaining subsidiaries will be dissolved through a stockholder resolution once all the outstanding liabilities have been resolved and settled.

In January 2015, Blacksands Pacific Atlantic Energy Limited (BSPAEL), a 100% fully owned subsidiary of Blacksands Pacific International Limited, executed agreements acquiring 51% shareholder interest in both Atlanta Energy Drilling Concept Nigeria Limited (AEDCNL) and Atlantic Energy Brass Development Limited (AEBDL). On June 24, 2015, Nigerian Petroleum Development Company (NPDC) – a fully owned subsidiary of Nigerian National Petroleum Corporation (NNPC) – granted a change of control consent to BSPAEL in respect of AEBDL and AEDCNL (*see enclosed as exhibit 4*). The consent granted NPDC's approval for the 51% interest acquisition by BSPAEL and for BSPAEL to become the controlling shareholder. AEDCNL entered into a Strategic Alliance Agreement (SAA) partnership with NPDC regarding Oil Mining Lease Blocks 26, 30, 34, and 42 (the Forcados Assets). AEBDL entered into a similar SAA partnership with NPDC on Oil Mining Lease Blocks 60, 61, 62, and 63 (the Brass Assets). Both AEDCNL and AEBDL provided financial, technical, and training partnerships to NPDC to enable it to meet its obligations on these assets. Both AEDCNL and AEBDL shared with NPDC the hydrocarbon reserves and production entitlements from these assets.

The entitlement of AEDCNL and AEBDL from the SAAs are: ~ 2 bn boe (1.928 Billion Barrels of Oil Equivalent Reserves) and 70,000 bopd, 400 MMcfd (132,000 Barrels of oil equivalent per day), as certified

by independent auditors, representing IOC-level reserves and production that are the 6th largest in Nigeria. This is a low-risk, producing, secure investment opportunity coupled with significant future upsides.

Blacksands Pacific commenced significant reorganization of AEDCNL and AEBDL, and in May 2016, Blacksands Pacific formally agreed to a revised arrangement whereby, in return for an initial concurrent payment to NNPC of US\$1.15 Billion from the outstanding liabilities owed by AEDCNL and AEBDL to NNPC, the eight (8) SAAs previously held by AEDCNL and AEBDL will be transferred in their entirety to Blacksands Pacific Nigerian incorporated subsidiaries. Concurrently, Blacksands Pacific commenced discussion with Sinochem International Oil (London) Co. Ltd regarding the crude oil offtake, initially seeking part of the financing from Sinochem; however, later concluding to enter into a "Memorandum Agreement" with Sinochem International Oil (London) Co. Ltd to sell all its crude oil production entitlement from the eight SAA assets without requiring any financing based on the success of its financial procurement from other investors (*see enclosed as exhibit 5*). Blacksands Pacific International Limited also maintains interests through wholly owned subsidiaries in Equatorial Guinea, Cote D'Ivoire, and Ghana.

On December 11, 2014, unexpectedly and given the agreement with Mr. Bo Jiang, Deputy CEO and Deputy Managing Director for ICBC (London), PLC, Blacksands Pacific received a motion filed by ICBC. Although Blacksands Pacific initially approached ICBC to resolve the matter, it was immediately apparent that the intent of ICBC was to obtain leverage against Blacksands Pacific prior to engaging in any discussion. The lawsuit also delayed the intended strategy of the Blacksands Pacific partnership to acquire the intellectual property of BSPG and its remaining subsidiaries (Blacksands Pacific Energy Corporation, Inc. and Blacksands Pacific Alpha Blue, LLC) because the partners initially withdrew from discussions and had to be persuaded and reassured. It was decided to wait for the outcome of the litigation and appeal prior to determining how to progress further.

Following extensive discussion, negotiation, and diligence by the new investors, the stockholders of BSPG and new investment partners finally formed a new partnership—The Blacksands Pacific Group, LP (*see enclosed as exhibit 6*) on June 13, 2016 to enact the strategy that was formulated in December 2014. On the same day, all remaining officers of BSPG and its remaining subsidiaries vacated their offices/positions with others, including Mr. Brennerman, becoming officers of The Blacksands Pacific Group, LP.

For the reasons cited above, BSPG is no longer trading and has no substantial assets in the United States. BSPG had two options for settling the ICBC matter. Either Blacksands Pacific International Limited had to acquire the intellectual property of BSPG and its remaining subsidiaries for \$11.25 million or the partners of The Blacksands Pacific Group, LP had to agree to contribute funds to BSPG to settle the liabilities of BSPG.

Although the Court of Appeals decision was not favorable, BSPG had already intended to settle the matter with ICBC and close this chapter. Following the Court of Appeals decision and general posture of the litigation, the partners of The Blacksands Pacific Group, LP were very concerned of any transfer of liabilities that could arise from becoming involved with any settlement. Therefore, the partners sought assurances from ICBC, offering to meet with ICBC in London and requesting time to review the entire matter, including the negotiations by BSPG with ICBC relating to the financing of asset acquisition that commenced from January 2013 (*see enclosed as exhibit 7*), the ICBC litigation petition, the response and counter-claim by BSPG and Blacksands Pacific Alpha Blue, LLC (BSPAB), the judgment of the U.S. District Court, the appeal of judgement by the Court, and the decision by the Court of Appeals. In an effort to avoid further litigation and sanctions by the Court, BSPG offered to arrange for temporary security through a first lien on an unencumbered real property asset (which will also negate the requirement for discovery) on the basis that ICBC agrees "in principle" to the settlement proposal prior to



BSPG furnishing ICBC with information on the property, given the history of the litigation and allegations by both sides. The property is owned by an un-related party to the litigation and not an affiliate or subsidiary of BSPG. ICBC rebuffed the proposal and sought sanction against BSPG for not complying with the discovery request, even though BSPG was unable to comply because it had no officers and had ceased to trade. It was never BSPG's intention to ignore or not comply with the Court order. By the time the Court ordered compliance with the ICBC discovery requests, it (BSPG) was no longer trading and had no officers.

There was no asset transfers between BSPG and The Blacksands Pacific Group, LP. The only related transaction between BSPG and the partnership (The Blacksands Pacific Group, LP) relates to the offices in New York and Houston that were previously negotiated by Blacksands Pacific Energy Corporation, Inc. and that The Blacksands Pacific Group, LP is now concluding (*see enclosed as exhibit 10*).

*Exhibits were previously submitted to ICBC (London) plc.*

**THE END**