

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

SRINIVASA RAO KAMBALA, <i>et al.</i>	§	
	§	
Plaintiffs.	§	
v.	§	Case No. 1:13-cv-00498-RC-ZJH
	§	
SIGNAL INTERNATIONAL LLC, <i>et al.</i>	§	
	§	
Defendants.	§	

PLAINTIFFS’ STATUS REPORT

Plaintiffs hereby file this Status Report as of April 3, 2017.

As noted in Plaintiffs’ and the Signal Entities’ prior notices [Dkt. No. 126, 127, 128], the Signal Entities filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code on July 12, 2015. *In re Signal Int’l, Inc, et al.*, No. 15-11498 (Bankr. D. Del. July 12, 2015) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).¹ On November 24, 2015, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law and Order Confirming Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code [ECF No. 555] (the “Confirmation Order”), confirming the Signal Entities’ plan of liquidation, which implemented the plan support agreement among the Plaintiffs, the Signal Entities and certain other parties, for the settlement of, *inter alia*, the Plaintiffs’ claims against the relevant Signal Entities. Pursuant to the Plan, a litigation trust (the “Signal Litigation Trust”) has been created for the distribution of the settlement proceeds. That process remains ongoing, as the Signal Litigation Trust distributed Trust Claim Forms in February and the Plaintiffs have 60 days from the distribution date to submit their claim forms, which deadline was subsequently extended through June 15, 2016.

¹ The other entities are: *Signal Ship Repair, LLC* (Case No. 15-11499), *Signal Int’l, LLC* (Case No. 15-11500), *Signal Int’l Texas GP, LLC* (Case No. 15-11501), and *Signal Int’l Texas, L.P.* (Case No. 15-11502). By the Bankruptcy Court’s order, all five cases are being jointly administered with the *Signal Int’l, Inc.* case. *In re Signal Int’l, Inc.*, No. 15-11498 (Bankr. D. Del. July 14, 2015), ECF No. 55.

The Plan became effective on December 14, 2015 [Bankr. Dkt. No. 589]. As of that date, pursuant to the Confirmation Order, “any suit, legal action, or other proceeding ... in any forum in the United States that is released, stayed, or enjoined pursuant to Article XI of the Plan against or affecting any Released Party [the Signal Entities], shall be stayed, enjoined or otherwise prohibited from continuation as to any Released Party.” (Confirmation Order at 25.)

With respect to the claims against the Burnett Defendants, twenty of the twenty-one Plaintiffs have reached a settlement with the Burnett Defendants. The Burnett Defendants have satisfied their obligations under the agreement and the twenty participating Plaintiffs will agree to the dismissal of claims against the Burnett Defendants.

The one Plaintiff that is not participating in the settlement with the Burnett Defendants is Srinivasa Reddy Dalli. Plaintiffs’ counsel has been unable to locate Plaintiff Srinivasa Reddy Dalli to obtain his consent to settle. In the related cases against Signal International, LLC consolidated in the Eastern District of Louisiana under the case number 2:14-cv-02811-SM-DEK, *Samuel, et al. v. Signal Int’l, LLC, et al.*, Judge Morgan of the Eastern District of Louisiana entered an order requiring Plaintiff Srinivasa Reddy Dalli to communicate with counsel within sixty days of the August 5, 2016 order. Plaintiff Srinivasa Reddy Dalli did not communicate with counsel and Judge Morgan entered a judgment dismissing with prejudice all pending claims Plaintiff Srinivasa Reddy Dalli had against the Dewan Defendants. See Order with exhibits (Dkt. #263, 2:14-cv-02811-SM-DEK, Aug. 5, 2016), attached as Exhibit A; and Judgment (Dkt. #266, 2:14-cv-02811-SM-DEK, Dec. 29, 2016), attached to this Status Report as Exhibit B.

In light of the status of Signal’s Bankruptcy and the settlement with the Burnett Defendants, the undersigned parties respectfully request that the stay remain in effect as to the Signal Defendants and Dewan Defendants, and the Plaintiffs request a telephonic status conference with the Court concerning the dismissal of claims against the Burnett Defendants.

Respectfully submitted, this 3rd day of April, 2017.

/s/ Christopher J. Willett

Christopher J. Willett

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CERTIFICATE OF SERVICE

I hereby certify that on April 3, 2017, I electronically filed the foregoing Status Report with the Clerk of the Court using the CM/ECF system, which will automatically send e-mail notification of such filing to all ECF participants.

/s/ Christopher J. Willett

Christopher J. Willett

Texas State Bar No. 24061895

Attorney for Plaintiffs