



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*86 Chambers Street
New York, New York 10007*

February 13, 2021

By Email (cb@g-etg.com)

Cynthia Brooks
President
Greenfield Environmental Multistate Trust LLC,
Trustee of the Multistate Environmental Response Trust

RE: Reappointment of Greenfield Environmental Multistate Trust LLC as Trustee
of the Tronox Multistate Environmental Response Trust

Dear Ms. Brooks:

On behalf of the United States, with the support of the twenty-one states that are beneficiaries (“Beneficiaries”) of the Multistate Environmental Response Trust (“Trust”) created by the environmental settlement in the *In re Tronox Inc.* bankruptcy, I am writing to reappoint Greenfield Environmental Multistate Trust LLC (“GEMT”) to an additional three-year term as trustee of the Trust, subject to the terms and conditions described in the attached framework document (“Framework”).

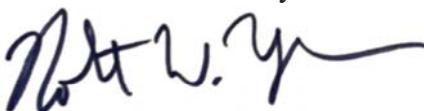
In making this decision, we are mindful of the progress the Trust has made in investigating, designing, and implementing environmental cleanup at contaminated Tronox sites since Greenfield’s original appointment as Trustee. We are also mindful of measures that the Trust has undertaken to maintain effective financial controls and its past efforts relative to community and stakeholder engagement. The attached Framework sets forth certain expectations for further or continuing efforts in these areas; it is meant to emphasize specific expectations, without limiting additional efforts that the Trust may undertake.

In addition, as you know, the Beneficiaries continue to evaluate whether additional measures would be useful or necessary to promote timely and effective environmental remediation, environmental justice, sound financial management, and public transparency at environmental response trusts, including the Trust. The Framework reflects the Beneficiaries’ expectation that additional measures that may be developed in this ongoing review process will be adopted by the Trust, where consistent with the Trust Agreement, the Trustee’s fiduciary duties, limits on Trust funding, and other legitimate concerns.

We thank GEMT for its service, and look forward to the next Trust term.

Very truly yours,

AUDREY STRAUSS
United States Attorney

by: 

ROBERT WILLIAM YALEN
Assistant United States Attorney
(212) 637-2722

cc: Erica Pencak, ENRD

Exhibit A

Framework for Reappointment of Greenfield Environmental Multistate Trust LLC as Trustee of Multistate Environmental Response Trust (“Framework”)

1. *Reappointment*

- a. Greenfield Environmental Multistate Trust LLC (“GEMT”) is reappointed as trustee of the Multistate Environmental Response Trust (“Trust”) created in connection with the environmental settlement in *In re Tronox Inc.*, Bankruptcy Case No. 09-10156, S.D.N.Y. Reappointment is subject to this Framework. The term of appointment will run from February 14, 2021, through February 13, 2024.
- b. At the end of the three-year term, GEMT may be reappointed to additional terms as provided in Section 4.1.1 of the Multistate Environmental Trust Agreement (“Trust Agreement”). In considering future reappointments, the Trust beneficiaries (“Beneficiaries”) anticipate considering the extent of GEMT’s successful accomplishment of the “Expectations” described in Section 2 of this Framework, as well as any other matters they deem relevant to the reappointment decision.

2. *Expectations*

- a. As part of (and without limiting) GEMT’s responsibilities as Trustee, the Beneficiaries identify the following specific expectations:
 - b. *Financial Matters*
 - i. *Audit / Financial Reviews.* The Beneficiaries expect that the Trust will commence an audit of the Trust’s financial statements, performed by an independent third party, during 2021, and will supplement the audit with additional appropriate independent financial internal controls reviews. The scope and nature of the audit engagement, and the scope and frequency of the additional internal controls reviews, will be decided in consultation with the United States (and other Beneficiaries who advise the United States of their desire to participate in this consultation), and will take into account the relative cost and benefit of different options.
 - ii. *Additional Measures.* The Beneficiaries intend to work with the Trust to consider additional measures to enhance trust budgeting and beneficiary oversight with respect to financial matters, including around the formulation and presentation of proposed budgets, reporting on expenditures, and other matters, taking into account the cost and benefit of potential options. The Beneficiaries expect the Trust to consider adoption of measures suggested by the Beneficiaries, where consistent with the Trust Agreement, the Trustee’s fiduciary duties, and limits on Trust funding.

c. *Environmental Justice*

- i. *Advisory Board on Environmental Justice.* We expect that the Trust will convene an Advisory Board on Environmental Justice.
 1. The Advisory Board's purpose will be to consider and advise the Trustee on environmental justice issues at Trust sites. The Advisory Board may recommend, for GEMT's consideration, strategies or measures to advance environmental justice at Trust sites. Trust leadership will meet with the Advisory Board at least once a quarter.
 2. This Advisory Board will consist of a diverse set of individuals and organizations concerned about environmental justice matters at Trust sites. The Advisory Board members shall not be representatives of the Beneficiaries; however, representatives of the Beneficiaries will have the option to attend and participate in all Advisory Board meetings. The Trust shall not pay a stipend or other funds to Advisory Board members, who will serve on a volunteer basis.
 3. No later than April 1, 2021, the Trust will consult with the United States (and other Beneficiaries who advise the United States of their desire to participate in this consultation) on a detailed proposed plan for the establishment and operation of this Advisory Board.
- ii. *Non-Discrimination.* The Beneficiaries expect the Trust to maintain at all times a written policy to comply with all applicable federal, state, and local laws regarding nondiscrimination in hiring and contracting; to properly train Trust staff on such policy; and to comply with such policy and such laws.
- iii. *Additional Measures.* The Beneficiaries and the Trust intend to continue to discuss potential strategies for addressing environmental justice at Trust sites and related Trust operations. The Beneficiaries expect the Trust to consider adoption of measures suggested by the Beneficiaries, where consistent with the Trust Agreement, the Trustee's fiduciary duties, and limits on Trust funding.

d. *Environmental Remediation*

- i. The Beneficiaries and the Trust intend to consider additional potential strategies for ensuring timely and effective environmental remediation at Trust sites, in light of the particular circumstances of each site. The Beneficiaries expect the Trust to consider adoption of measures suggested by the Beneficiaries, where consistent with the Trust Agreement, the Trustee's fiduciary duties, and limits on Trust funding.

e. *Transparency*

- i. *Transparency Plan.* No later than April 1, 2021, the Beneficiaries expect the Trust to report to the United States (and other Beneficiaries choosing to participate) on the suitability of making additional Trust information publicly available, and on the format for doing so. The suggestions shall be designed to ensure transparency to the public of matters of public concern relating to the Trust and its operations, while also taking into account concerns relating to confidential business information, personal privacy, and cost. Subsequent to the submission of the plan, the Beneficiaries expect the Trust to consider adoption of measures suggested by the Beneficiaries, where consistent with the Trust Agreement, the Trustee's fiduciary duties, limits on Trust funding, and confidentiality concerns.

3. *General Provisions*

- a. Nothing in this Framework affects the terms of the Settlement Agreement or Trust Agreement or limits GEMT's fiduciary duties as Trustee.
- b. Nothing herein constitutes an authorization to expend Trust funds. All expenditures of Trust funds may only be made to the extent authorized by the Trust Agreement, including Section 3.2 thereof, which generally requires an approved budget prior to expenditures.
- c. GEMT's continued status as Trustee is expressly contingent on adherence to fiduciary duties, and each beneficiary reserves its rights under the Trust Agreement or otherwise to enforce the same.
- d. GEMT's continued status as Trustee is expressly contingent on key employee Cynthia Brooks' continued control GEMT and management of its operations, and of GEMT's continued existence in its current corporate form. To the extent that Ms. Brooks ceases to control or manage GEMT's operations, or GEMT intends to change corporate form, GEMT shall immediately notify the Beneficiaries. At such time, the Beneficiaries shall decide whether, in light of the failure of this condition, GEMT should continue as Trustee without Ms. Brooks' control or management or in a different corporate form or instead GEMT's Trustee term should be terminated. In the event that the Beneficiaries determine to terminate GEMT, GEMT agrees to remain as Trustee until the earlier of (i) six months following GEMT's notification described in this paragraph period or (ii) appointment of a Successor Trustee is appointed pursuant to the Trust Agreement, and GEMT shall cooperate with beneficiaries in transitioning to a new Trustee.