

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA**

In re:)	Chapter 11
)	
GMX RESOURCES INC., <i>et al.</i> ,)	Case No. 13-11456 (SAH)
)	
Debtors.)	Jointly Administered
)	
)	

**FOURTH QUARTERLY AND ANNUAL REPORT
OF THE GMX RESOURCES CREDITOR TRUST FOR THE
PERIOD FEBRUARY 3, 2014 THROUGH JANUARY 31, 2015**

Attached hereto, pursuant to section 9.1(a) of the GMX Resources Creditor Trust Agreement, is the fourth quarterly and annual report of operations (the “Report”) of the GMX Resources Creditor Trust.

The Report is also available at www.emeraldcapitaladvisors.com, the website maintained by the trustee of the Creditor Trust.

Respectfully submitted this 13th day of February, 2015.

GRAY REED & McGRAW, P.C.

By: /s/ Jason S. Brookner
 Jason S. Brookner
 Texas Bar No. 24033684
 Lydia R. Webb
 Texas Bar No. 24083758
 1601 Elm Street, Suite 4600
 Dallas, Texas 75201
 Telephone: (214) 954-4135
 Facsimile: (214) 953-1332
 Email: jbrookner@grayreed.com

-And-

**HALL, ESTILL, HARDWICK, GABLE,
GOLDEN & NELSON, P.C.**

By: /s/ Jennifer Heald Castillo

Larry G. Ball, OBA No. 12205

Jennifer Heald Castillo, OBA No. 19504

100 North Broadway, Suite 2900

Oklahoma City, OK 73102

Telephone: (405) 553-2854

Facsimile: (405) 553-2855

Email: lball@hallestill.com

**ATTORNEYS FOR JOHN P. MADDEN, TRUSTEE OF
THE GMX RESOURCES CREDITOR TRUST**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 13th day of February, 2015, he caused a true and correct copy of the attached document to be served via the Court's CM-ECF notification system upon the parties that have so-subscribed.

/s/ Jason S. Brookner

Jason S. Brookner

GMX Creditor Trust

FOURTH QUARTER AND ANNUAL OPERATING REPORT

FEBRUARY 13, 2015



Introduction

CREDITOR TRUST OVERVIEW

- On February 3, 2014 the Debtors' First Amended Joint Plan of Reorganization became effective, creating the GMX Resources Creditor Trust.
- Upon the plan's effective date, John P. Madden, Senior Managing Director of Emerald Capital Advisors ("Emerald") became the Creditor Trustee. As of the filing date of this report, Mr. Madden continues to serve as the Creditor Trustee.
- As per the Trust Agreement, the Trustee is required to file an annual financial report in addition to the required quarterly reports. In addition to the fourth quarterly report, the following document also includes the comprehensive annual financial report for 2014.
 - The fourth quarterly report includes the November 1st 2014 through January 31st 2015 period and the annual financial report includes the February 3rd 2014 through January 31st 2015 period.
 - In this report, the activities of the Trust are reviewed and summarized, including an accounting of cash to date as well as the near term expected action/work plan.

NEAR TERM ACTION ITEMS (FEBRUARY 1, 2015 – APRIL 30, 2015)

- Maintain the books & records for the Trust, including the prompt filing of all necessary tax related documents;
- Continue to negotiate with parties in receipt of preference payments;
- Initiate all remaining litigation with recipients of unsettled preference payments, and with recipients of preferred dividends;
- Continue to prosecute the D&O litigation; and
- Make interim distributions if appropriate, based on collections and claims resolutions.

Fourth Quarter Trust Activities

OPERATING ACTIVITIES (NOVEMBER 1, 2014 – JANUARY 31, 2015)

- A formal Directors and Officers (“D&O”) complaint was filed in Oklahoma state court on August 19, 2014, asserting claims against certain former directors and officers for various breaches of fiduciary duty.
 - The Defendants filed a motion to dismiss, to which the Trust responded on November 4, 2014.
 - On January 16, 2015 the Defendants’ motion to dismiss was denied with respect to the key alleged wrongdoers in the Complaint.
 - Additionally, all named defendants are potentially liable on the gross mismanagement and illegal dividends claims asserted in the complaint.
- The Depository Trust Company (“DTC”) provided Emerald with the names of all brokers who had clients/customers who held shares of GMX preferred stock during 2012. Letters were sent to these brokers and subpoenas were issued as necessary, requesting relevant beneficial holder information (that is, names and holdings for those who received dividend payments during the relevant periods).
 - To date, Emerald has received holdings information from the majority brokerages, listing thousands of names.
 - Emerald has performed an analysis on all holdings information received thus far, and will file complaints (as appropriate) against identified counterparties by no later than April 1, 2015.
- Since the beginning of the fourth Quarter, Emerald has continued to negotiate with recipients of preferential payments.
 - Emerald has performed a thorough and detailed analysis on all preferential payments made and will file complaints (as appropriate) against certain identified counterparties by no later than April 1, 2015.
 - The Trust has negotiated an additional recovery of \$41,000 through the fourth Quarter.
- Emerald completed its review of the claims universe, and its analysis has led to a reduction of the total claims pool by more than \$24,200,000 to date.
 - On December 16, 2014 and December 19, 2014 respectively, Orders on the Motion for the Omnibus Objections were granted, thereby further reducing the claims pool as well as mediating the risk of certain secured claims becoming unsecured. In total over 90 claims were disallowed and expunged.
 - On January 1, 2015 the Trust objected to 9 claims totaling in excess of \$44,000,000. As of January 31, 2015, 4 of the claims had been either substantially reduced or disallowed entirely, a reduction of \$3,100,000.
 - Furthermore, the trust has negotiated settlements that will reduce the claims pool by approximately \$12,800,000.

OPERATING SUMMARY

(\$ in Actual)

	Quarter 4		
	<i>As of 1/31/15</i>		
	Operating Account	Claims Reserve	Quarter 4 Total
CASH			
Book Balance	\$425,911	\$450,506	\$876,417
Interest Earned	214	--	214
Payments Recovered by Trustee	41,000	--	41,000
Total Cash	\$467,125	\$450,506	\$917,631
PROFESSIONAL FEES			
Payments to Trustee	(\$35,401)	--	(\$35,401)
Payments to Counsel	(14,402)	--	(14,402)
Total Professional Fees	(\$49,803)	\$ --	(\$49,803)
CASH DISBURSEMENTS			
Initial and Secondary Distributions	\$ --	\$ --	\$ --
ADJUSTMENTS			
Claims Reserve	\$17,857	(\$17,857)	\$ --
Total Cash Balance as of 1/31/15	\$435,179	\$432,649	\$867,827

CLAIMS POOL AND CLAIMS RESERVE

(\$ in Actual)

	Quarter 4
	<i>As of 1/31/15</i>
Claims Pool	\$188,784,421
(-) Withdrawn and settled claims ⁽¹⁾	(3,067,996)
Adjusted Claims Pool	\$185,716,425
(-) Allowed Claims for Purposes of Initial Distribution ⁽²⁾	(109,946,050)
Remaining Claims	\$75,770,375
Initial Distribution Percentage	0.571%
Required Claims Reserve	\$432,649
PENDING SETTLEMENTS & OBJECTIONS	
Pending Settlements ⁽³⁾	\$12,761,235
Pending Objections ⁽⁴⁾	3,981,328
Total Pending Settlements & Objections	\$16,742,563

Notes:

- (1) Represents claims that the Trustee is no longer obligated to reserve for because they have been settled or withdrawn
- (2) The only allowed claims to date are the noteholder claims
- (3) The Trustee has negotiated settlements that will further reduce the claims pool by approximately \$12,800,000.
- (4) The Trustee has filed objections that may reduce the claims pool by an additional \$4,000,000 (approximately).

2014 Financial Operating Summary

Immediately following the effective date (February 3, 2014), Emerald built a detailed bottoms-up wind-down budget, and created the Trust's operating reserve.

- The operating reserve served to administer the operating expenses of the Trust in 2014 as well as on a go forward basis.

In its role as Trustee, Emerald has accomplished the following tasks to the benefit of the GMX Liquidating Trust:

- Emerald has reviewed and analyzed all potential preference payments made within 90 days preceding the Petition Date, and prepared and distributed over 100 demand letters for payment recoupment.
 - At this point, recovery of these preferential payments have exceeded \$129,000, further negotiations remain ongoing and the Trust will be filing complaints against certain identified recipients.
- On February 21, 2014 and February 28, 2014 Emerald made both a 0.571% initial and secondary distribution, to certain holders of allowed claims totaling approximately \$628,263. The Trust has also lowered the Claims Reserve by over \$136,000 by reducing the unsecured claims pool.

The following chart details the Operating Summary of the Trust covering the period February 3rd through January 31st 2015:

OPERATING SUMMARY															
(\$ in Actual)															
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			2014 FYE		
	As of 4/31/2014			As of 7/31/2014			As of 10/31/14			As of 1/31/15			As of 1/31/15		
	Operating Account	Claims Reserve	TOTAL	Operating Account	Claims Reserve	TOTAL	Operating Account	Claims Reserve	TOTAL	Operating Account	Claims Reserve	TOTAL	Operating Account	Claims Reserve	TOTAL
CASH															
Book Balance	\$1,500,000	\$ --	\$1,500,000	\$281,482	\$571,737	\$853,219	\$390,131	\$521,910	\$912,041	\$425,911	\$450,506	\$876,417	\$1,500,000	\$ --	\$1,500,000
Interest Earned	4	--	4	426	--	426	223	--	223	214	--	214	867	--	867
Payments Recovered by Trustee	--	--	--	88,211	--	88,211	--	--	--	41,000	--	41,000.0	129,211	--	129,211
Total Cash	\$1,500,004	\$ --	\$1,500,004	\$370,119	\$571,737	\$941,856	\$390,354	\$521,910	\$912,264	\$467,125	\$450,506	\$917,631	\$1,630,078	\$ --	\$1,630,078
PROFESSIONAL FEES															
Payments to Trustee	(\$15,000)	--	(\$15,000)	(\$28,523)	--	(\$28,523)	(\$26,852)	--	(\$26,852)	(\$35,401)	--	(\$35,401)	(105,776)	--	(\$105,776)
Payments to Counsel	(3,523)	--	(3,523)	(1,292)	--	(1,292)	(8,995)	--	(8,995)	(14,402)	--	(14,402)	(28,212)	--	(28,212)
Total Professional Fees	(\$18,523)	\$ --	(\$18,523)	(\$29,815)	\$ --	(\$29,815)	(\$35,847)	\$ --	(\$35,847)	(\$49,803)	\$ --	(\$49,803)	(\$133,988)	\$ --	(\$133,988)
CASH DISBURSEMENTS															
Initial and Secondary Distributions	(\$628,263)	\$ --	(\$628,263)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	(\$628,263)	\$ --	(\$628,263)
ADJUSTMENTS															
Claims Reserve	(\$571,737)	\$571,737	\$ --	\$49,827	(\$49,827)	\$ --	\$71,404	(\$71,404)	\$ --	\$17,857	(\$17,857)	\$ --	(\$432,649)	\$432,649	\$ --
Total Cash Balance as of 1/31/15	\$281,481	\$571,737	\$853,218	\$390,131	\$521,910	\$912,041	\$425,911	\$450,506	\$876,417	\$435,179	\$432,649	\$867,827	\$435,179	\$432,649	\$867,827

2014 Claims Pool Summary

Immediately following the effective date (February 3, 2014), Emerald prepared a preliminary claims analysis, as well as created the disputed claims reserve.

- The Trust has performed analysis on the entire pool of potential unsecured claims, totaling \$210,000,000.
 - Emerald has objected, negotiated or settled out over 90 claims. These efforts have lead to a reduction of approximately \$24,200,000.
 - The Trust has negotiated settlements that will further reduce the claims pool in excess of \$12,800,000.
 - In addition, numerous claims have been objected to on a substantive basis and are still pending. Those claims total approximately \$4,000,000.
 - Emerald, acting in its fiduciary duty, objected to secured claims that in aggregate exceeded \$300,000,000 in order to mitigate the risk of certain secured claims falling into the unsecured claims pool and thereby reducing recovery to benefactors.

The following is a chart detailing the claims pool throughout the period February 3rd through January 31st 2015:

CLAIMS POOL AND CLAIMS RESERVE

(\$ in Actual)

	Quarter 1 <i>As of 4/31/2014</i>	Quarter 2 <i>As of 7/31/2014</i>	Quarter 3 <i>As of 10/31/14</i>	Quarter 4 <i>As of 1/31/15</i>	2014 FYE <i>As of 1/31/15</i>
Claims Pool	\$210,000,000	\$210,000,000	\$201,348,699	\$188,784,421	\$210,000,000
(-) Withdrawn and settled claims ⁽¹⁾	--	(8,651,301)	(12,564,278)	(3,067,996)	(24,283,575)
Adjusted Claims Pool	\$210,000,000	\$201,348,699	\$188,784,421	\$185,716,425	\$185,716,425
(-) Allowed Claims for Purposes of Initial Distribution ⁽²⁾	(109,946,050)	(109,946,050)	(109,946,050)	(109,946,050)	(109,946,050)
Remaining Claims	\$100,053,950	\$91,402,649	\$78,838,371	\$75,770,375	\$75,770,375
Initial Distribution Percentage	0.571%	0.571%	0.571%	0.571%	0.571%
Required Claims Reserve	\$571,737	\$521,909	\$450,505	\$432,649	\$432,649
PENDING SETTLEMENTS & OBJECTIONS					
Pending Settlements ⁽³⁾					\$12,761,235
Pending Objections ⁽⁴⁾					3,981,328
Total Pending Settlements & Objections					\$16,742,563

Notes:

- (1) Represents claims that the Trustee is no longer obligated to reserve for because they have been settled or withdrawn
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