

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

ROBERT HURWITZ, on Behalf of Himself §
and All Others Similarly Situated, §

Plaintiff, §

vs. §

ERIC MULLINS, CHARLES W. ADCOCK, §
JONATHAN C. FARBER, TOWNES G. §
PRESSLER, JR., JOHN A. BAILEY, §
JONATHAN P. CARROLL, SCOTT W. §
SMITH, RICHARD A. ROBERT, W. §
RICHARD ANDERSON, BRUCE W. §
MCCULLOUGH and LOREN §
SINGLETARY, §

Case No.: 15-711-MAK

Defendants. §

**THE VANGUARD DEFENDANTS’ AMENDED ANSWER TO PLAINTIFF’S
AMENDED CLASS ACTION COMPLAINT**

Defendants Scott W. Smith (“Smith”), Richard A. Robert (“Robert”), W. Richard Anderson (“Anderson”), Bruce W. McCullough (“McCullough”), and Loren Singletary (“Singletary”) (collectively, the “Vanguard Defendants”) file this Answer to Plaintiff Robert Hurwitz’s (“Plaintiff’s”) Amended Class Action Complaint (the “Amended Complaint”). Any allegations or averments not specifically admitted herein are denied.

ANSWER

The first and second sentences of the first unnumbered paragraph contain Plaintiff’s characterization of the action, and thus no response is required. To the extent any response is required, the Vanguard Defendants admit that the Amended Complaint purports to bring a class action for violations of sections 11 and 15 of the Securities Act of 1933 (the “1933 Act”) and sections 14(a) and 20(a) of the Securities and Exchange Act of 1934 (the “1934 Act”) and U.S.

Securities and Exchange Commission (“SEC”) Rule 14a-9 promulgated thereunder pursuant to section 27 of the 1934 Act. The Vanguard Defendants lack knowledge or information to form a belief as to whether Plaintiff’s allegations are based upon investigation by Plaintiff’s counsel, and deny that substantial evidentiary support will exist for Plaintiff’s allegations. The Vanguard Defendants deny all other allegations in the first unnumbered paragraph of the Amended Complaint.

1. Paragraph 1 contains Plaintiff’s characterization of the action, and thus no response is required. To the extent any response is required, the Vanguard Defendants admit that Plaintiff purports to bring an action on behalf of the former holders of LRE units against LRE, the members of LRE’s Board of Directors, and Vanguard and certain of its officers and directors. The Vanguard Defendants deny all other allegations in Paragraph 1.

2. Paragraph 2 contains Plaintiff’s characterization of the action, and thus no response is required. To the extent any response is required, the Vanguard Defendants admit that Vanguard issued a registration statement and proxy statement on September 3, 2015 (collectively, the “Proxy”) and that LRE also issued this proxy statement. The Vanguard Defendants deny all other allegations in Paragraph 2.

3. The Vanguard Defendants admit that LRE was, until it merged with Vanguard, headquartered in Houston, Texas, and a Delaware limited partnership formed in April 2011 to operate, acquire, and develop oil and natural gas properties in North America. The remainder of Paragraph 3 sets forth Plaintiff’s subjective beliefs concerning the financial results and prospects of LRE; the Vanguard Defendants lack knowledge sufficient to admit or deny allegations concerning Plaintiff’s subjective beliefs and therefore deny them. The Vanguard Defendants deny all other allegations in Paragraph 3.

4. The Vanguard Defendants admit that, on April 20, 2015, LRE announced that it had entered into a Purchase Agreement and Plan of Merger (the “Merger Agreement”) with a subsidiary of Vanguard (the “Merger”). With respect to the allegations regarding the terms of the Merger Agreement, the Merger Agreement speaks for itself, and the Vanguard Defendants respectfully refer the court to the Merger Agreement for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy contained any materially false or misleading statements. The Vanguard Defendants admit that, on May 21, 2015, Vanguard announced that it entered into an Agreement and Plan of Merger (the “Eagle Rock Merger Agreement”) pursuant to which a subsidiary of Vanguard would merge into Eagle Rock Energy Partners, L.P. (“Eagle Rock”). With respect to the allegations regarding the terms of the Eagle Rock Merger Agreement, the Eagle Rock Merger Agreement speaks for itself, and the Vanguard Defendants respectfully refer the court to the Eagle Rock Merger Agreement for a full and accurate recitation of its contents. The Vanguard Defendants admit that the unitholders of LRE approved the Merger in October 2015. The Vanguard Defendants admit that the Eagle Rock merger closed in October 2015. The Vanguard Defendants deny all other allegations in Paragraph 4.

5. The Vanguard Defendants deny the first and second sentences of Paragraph 5. The Vanguard Defendants admit that the board of directors of LRE GP retained Tudor, Pickering, Holt & Co. Advisors, LLC (“Tudor”) to serve as its financial advisor with respect to the Merger, and that the conflicts committee of the board of directors of LRE GP retained Simmons & Company International (“Simmons”) to serve as its independent financial advisor with respect to the Merger. The Vanguard Defendants admit that both Tudor and Simmons concluded that the Merger was “fair” from a financial point of view. The Proxy and any

documents attached to the Proxy, including the fairness opinions, speak for themselves, and the Vanguard Defendants respectfully refer the Court to these documents for a full and accurate recitation of their contents. The Vanguard Defendants deny that the Proxy contained any materially false or misleading statements. The Vanguard Defendants deny all other allegations in Paragraph 5.

6. Paragraph 6 of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations and specifically deny that Vanguard ever violated its debt covenants or expected to violate its debt covenants. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to this document for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 6.

7. The Vanguard Defendants admit that Vanguard issued a December 18, 2015 press release, which speaks for itself, and the Vanguard Defendants respectfully refer the Court to this document for a full and accurate recitation of its contents. The Vanguard Defendants admit that Vanguard issued a news release on Form 8-K on or about March 4, 2016, which speaks for itself, and the Vanguard Defendants respectfully refer the Court to this document for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 7.

8. Defendants admit that the price of Vanguard common units is publicly available information. Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of changes in the value of Vanguard common units and, therefore, deny those allegations. Defendants deny Plaintiff's allegations regarding the causes of changes in the value of Vanguard common units. The Vanguard Defendants admit that the consideration to be

received by LRE unitholders was valued at \$8.93 based on Vanguard's closing price on April 20, 2015. The Vanguard Defendants deny all other allegations in Paragraph 8.

9. This paragraph of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, The Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 9.

10. The Vanguard Defendants admit that the Court has jurisdiction over the subject matter of this action pursuant to section 22 of the 1933 Act, and pursuant to section 27 of the 1934 Act. The Vanguard Defendants deny all other allegations in Paragraph 10.

11. The Vanguard Defendants admit that the Court has jurisdiction over each Vanguard Defendant. The Vanguard Defendants deny all other allegations in Paragraph 11.

12. The Vanguard Defendants admit that venue is proper in this District pursuant to 28 U.S.C. § 1391. The remaining allegations in Paragraph 12 state legal arguments and conclusions to which a response is not required. To the extent a response is required, the Vanguard Defendants deny the allegations.

13. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13 of the Amended Complaint, and therefore deny them.

14. The Vanguard Defendants admit the allegations in Paragraph 14.

15. The Vanguard Defendants admit the allegations in Paragraph 15.

16. The Vanguard Defendants admit the allegations in Paragraph 16.

17. The Vanguard Defendants admit the allegations in Paragraph 17.

18. The Vanguard Defendants admit the allegations in Paragraph 18.

19. The Vanguard Defendants admit the allegations in Paragraph 19.

20. The Vanguard Defendants admit the allegations in Paragraph 20.

21. The Vanguard Defendants admit that Vanguard is a Delaware limited liability company with principal executive offices at 5847 San Felipe, Suite 3000, Houston, Texas. The Vanguard Defendants admit that Vanguard issued the Proxy with LRE. The remaining allegations in Paragraph 21 state legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations.

22. The Vanguard Defendants admit that Smith is the President, Chief Executive Officer, and a Director of Vanguard, and that Smith signed the registration statement filed jointly with the Proxy. The second sentence of Paragraph 22 of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 22.

23. The Vanguard Defendants admit that Robert is the Executive Vice President, Chief Financial Officer, and a Director of Vanguard, and that Robert signed registration statement filed jointly with the Proxy. The second sentence of Paragraph 23 of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 23.

24. The Vanguard Defendants admit that Anderson is the Chairman of Vanguard's Board of Directors and signed the registration statement filed jointly with the Proxy. The second sentence of Paragraph 24 of the Amended Complaint includes legal arguments and conclusions

to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 24.

25. The Vanguard Defendants admit that McCullough is a director of Vanguard and signed the registration statement filed jointly with the Proxy. The second sentence of Paragraph 25 of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 25.

26. The Vanguard Defendants admit that Singletary is a Director of Vanguard and signed the registration statement filed jointly with the Proxy. The second sentence of Paragraph 26 of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 26.

27. No response to Paragraph 27 is required and therefore it is denied.

28. No response to Paragraph 28 is required and therefore it is denied.

29. No response to Paragraph 29 is required and therefore it is denied.

30. No response to Paragraph 30 is required and therefore it is denied.

31. Paragraph 31 contains a description of the purported class and thus no response is required. To the extent a response is required, the Vanguard Defendants admit that Plaintiff purports to bring this action on behalf of the class described in Paragraph 31, but deny that such class should be certified and further deny all other allegations in Paragraph 31.

32. Paragraph 32 includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations.

33. The Vanguard Defendants admit that the Merger Agreement states that, as of the close of business on April 17, 2015, there were 28,074,433 LRE common units issued and outstanding. The Vanguard Defendants deny all other allegations in Paragraph 33.

34. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 34 of the Amended Complaint, and therefore deny them.

35. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 35 of the Amended Complaint, and therefore deny them.

36. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 36 of the Amended Complaint, and therefore deny them.

37. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 37 of the Amended Complaint, and therefore deny them.

38. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 38 of the Amended Complaint, and therefore deny them.

39. The Vanguard Defendants deny the allegations in Paragraph 39.

40. The Vanguard Defendants admit the allegations in Paragraph 40.

41. The Vanguard Defendants admit the allegations in Paragraph 41.

42. The Vanguard Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of LRE's financial performance and, therefore, deny those allegations. The Vanguard Defendants admit that Plaintiff is selectively quoting excerpts from an LRE press release, dated April 30, 2015. This document speaks for itself, and the Vanguard Defendants respectfully refer the Court to this press release for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 42.

43. The Vanguard Defendants admit that Plaintiff is selectively quoting excerpts from LRE's annual report on Form 10-K for the period ending December 31, 2014. This document speaks for itself, and The Vanguard Defendants respectfully refer the Court to the annual report for a full and accurate recitation of its contents. The Vanguard Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of LRE's financial performance and, therefore, deny those allegations. The Vanguard Defendants deny all other allegations in Paragraph 43.

44. The Vanguard Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of LRE's financial performance and, therefore, deny those allegations. The Vanguard Defendants admit that various factors related to LRE's financial condition influenced the level of distributions offered to unitholders. The Vanguard Defendants admit that, on October 31, 2014, LRE held an earnings call for the third quarter of fiscal year 2014. Plaintiff is selectively quoting excerpts from a transcript of the October 31, 2014 call. This document speaks for itself, and the Vanguard Defendants respectfully refer the Court to this transcript for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 44.

45. The Vanguard Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of LRE's financial performance and, therefore, deny those allegations. Plaintiff's allegations related to the Vanguard Defendants' statements regarding LRE's "distribution strategy" are too vague to admit or deny and, therefore, the Vanguard Defendants deny those allegations. Plaintiff appears to be selectively quoting from a transcript of a presentation at the National Association of Publically Traded Partnerships MLP Investor Conference on May 22, 2014. This document speaks for itself, and the Vanguard Defendants respectfully refer the Court to this transcript for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 45.

46. Plaintiff appears to be selectively quoting from a transcript of a presentation at the Independent Petroleum Association of America conference in San Francisco on September 23, 2014. This document speaks for itself, and the Vanguard Defendants respectfully refer the Court to this transcript for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 46.

47. The Vanguard Defendants possess insufficient information to admit or deny Plaintiff's subjective impressions of LRE's financial performance and, therefore, deny those allegations. The Vanguard Defendants admit that LRE entered into the Merger with Vanguard. The Vanguard Defendants admit that, on April 20, 2015, LRE issued a press release and that Plaintiff has quoted selective portions of that press release. The press release speaks for itself, and the Vanguard Defendants respectfully refer the Court to this press release for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 47.

48. The Vanguard Defendants admit that Vanguard and LRE issued a joint preliminary proxy statement/registration statement concerning the Merger on or about June 3, 2015, which was amended and declared effective on or about September 3, 2015. The Vanguard Defendants deny all other allegations in Paragraph 48.

49. The Vanguard Defendants admit that Vanguard and LRE issued a joint preliminary proxy statement/registration statement concerning the Merger on or about June 3, 2015. The Vanguard Defendants admit that Vanguard and LRE filed Amendment No. 1 to the joint preliminary proxy statement/registration statement concerning the Merger on or about July 8, 2015. The Vanguard Defendants admit that Vanguard and LRE filed Amendment No. 2 to the joint preliminary proxy statement/registration statement concerning the Merger on or about July 24, 2015. The Vanguard Defendants admit that Vanguard and LRE filed Amendment No. 3 to the joint preliminary proxy statement/registration statement concerning the Merger on or about August 6, 2015. The Vanguard Defendants admit that Vanguard and LRE filed Amendment No. 4 to the joint preliminary proxy statement/registration statement concerning the Merger on or about August 20, 2015. The Vanguard Defendants admit that Vanguard and LRE filed Amendment No. 5 to the joint preliminary proxy statement/registration statement concerning the Merger on or about August 31, 2015. The Vanguard Defendants admit that the joint preliminary proxy statement/registration statement concerning the Merger was declared effective on or about September 3, 2015. The Vanguard Defendants admit that Smith, Robert, Anderson, McCullough and Singletary signed the effective registration statement filed jointly with the Proxy, as well as any previous amendments to the registration statement. The Vanguard Defendants deny all other allegations in Paragraph 49.

50. The Vanguard Defendants admit the allegations in Paragraph 50.

51. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting from the Proxy and its previous amendments. The Proxy, and any amendments to the Proxy, speak for themselves, and the Vanguard Defendants respectfully refer the Court to the Proxy and Proxy amendments for a full and accurate recitation of their contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 51.

52. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting from the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 52.

53. The Vanguard Defendants deny that the Proxy contained any materially false or misleading statements in contravention of the 1933 Act and the 1934 Act. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting from the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to this document for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 53.

54. The Vanguard Defendants deny that the Proxy contained any materially false or misleading statements, or that the Proxy omitted any material information. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting from the Third Amended and Restated Credit Agreement, Vanguard's May 4, 2015 Form 10-Q, and the Proxy. These documents speak for themselves, and the Vanguard Defendants respectfully refer the Court to

these documents for a full and accurate recitation of their contents. The Vanguard Defendants deny all other allegations in Paragraph 54.

55. The first sentence of Paragraph 55 includes legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 55.

56. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 56.

57. The Vanguard Defendants admit that the board of directors of LRE GP recommended that the LRE unitholders vote for the approval of the merger agreement and the transactions contemplated thereby. The Vanguard Defendants admit that Plaintiff is characterizing and selectively summarizing portions the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The last sentence of this paragraph of the Amended Complaint includes legal arguments and conclusions to which a response is not required. To the extent that any answer

may be required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 57.

58. The Vanguard Defendants deny that any statements in the Proxy were rendered false and/or materially misleading in contravention of the 1933 Act and the 1934 Act. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting from the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny all other allegations in Paragraph 58.

59. The Vanguard Defendants deny the allegations in Paragraph 59.

60. The Vanguard Defendants admit that, on December 18, 2015, Vanguard issued a press release and that Plaintiff is characterizing and selectively quoting portions of the press release. The December 18, 2015 press release speaks for itself, and the Vanguard Defendants respectfully refer the Court to the press release for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 60.

61. The Vanguard Defendants admit that, on December 18, 2015, Vanguard issued a press release and that Plaintiff is characterizing and selectively quoting from this press release. The December 18, 2015 press release speaks for itself, and the Vanguard Defendants respectfully refer the Court to the press release for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 61.

62. The Vanguard Defendants admit that, on or about March 4, 2016, Vanguard issued a press release on Form 8-K and that Plaintiff is characterizing and selectively quoting from this press release. The March 4, 2014 Form 8-K speaks for itself, and the Vanguard

Defendants respectfully refer the Court to the Form 8-K for a full and accurate recitation of its contents. The Vanguard Defendants admit that, on May 19, 2016, the Vanguard Defendants issued a press release on Form 8-K and that Plaintiff is characterizing and selectively quoting from this press release. The March 19, 2014 Form 8-K speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Form 8-K for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 62.

63. The Vanguard Defendants deny the allegations in Paragraph 63.

64. The Vanguard Defendants admit that Plaintiff is selectively quoting from analyst reports entitled “Energy MLP Primer,” prepared by Bank of America—Merrill Lynch, “OFI Steelpath MLP Primer,” published by Oppenheimer Funds, and “Midstream Energy MLPS Primer 3.0,” prepared by Morgan Stanley. These reports speak for themselves, and the Vanguard Defendants respectfully refer the Court to them for a full and accurate recitation of their contents. The Vanguard Defendants deny all other allegations in Paragraph 64.

65. The Vanguard Defendants admit that Vinson & Elkins LLP published an article entitled “2016 Hot Topics for Energy Companies: Thoughts for Officers and Directors of MLPs in 2016” and that Plaintiff is characterizing and selectively quoting from this article. This article speaks for itself, and the Vanguard Defendants respectfully refer the Court to this article for a full and accurate recitation of its contents. The Vanguard Defendants deny all other allegations in Paragraph 65.

66. The first and last sentences of Paragraph 66 of the Amended Complaint include legal arguments and conclusions to which a response is not required. To the extent that any answer may be required, the Vanguard Defendants deny these allegations. The third sentence of Paragraph 66 is too vague to assess and, therefore, the Vanguard Defendants deny those

allegations. The Vanguard Defendants admit that Plaintiff is characterizing and selectively quoting the Proxy. The Proxy speaks for itself, and the Vanguard Defendants respectfully refer the Court to the Proxy for a full and accurate recitation of its contents. The Vanguard Defendants deny that the Proxy was materially false or misleading. The Vanguard Defendants deny that Vanguard ever believed that it would breach its debt covenants. The Vanguard Defendants deny all other allegations in Paragraph 66.

67. The Vanguard Defendants deny that the Proxy was false or misleading. The second and third sentences of Paragraph 67 of the Amended Complaint state legal conclusions to which a response is not required. To the extent that a response is required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 67.

68. No response to Paragraph 68 is required. To the extent a response is required, the allegations in this Paragraph are denied. The Vanguard Defendants refer Plaintiff to their response for each and every allegation set forth above and incorporate those responses as if fully set forth herein.

69. Paragraph 69 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 69.

70. Paragraph 70 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 70.

71. Paragraph 71 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 71.

72. Paragraph 72 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 72.

73. Paragraph 73 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 73.

74. Paragraph 74 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 74.

75. Paragraph 75 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 75.

76. The Vanguard Defendants lack knowledge or information sufficient to form a belief as to the allegations in this Paragraph of the Amended Complaint regarding when Plaintiff obtained knowledge of certain facts and therefore deny them. The Vanguard Defendants deny all other allegations in Paragraph 76.

77. Paragraph 77 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 77.

78. Paragraph 78 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 78.

79. Paragraph 79 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 79.

80. Paragraph 80 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 80.

81. Paragraph 81 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 81.

82. The Vanguard Defendants admit that the Vanguard Defendants prepared, reviewed and/or disseminated the Proxy. No response is required to the second and third sentences of Paragraph 82; to the extent a response is required, the Vanguard Defendants deny these allegations. The Vanguard Defendants deny all other allegations in Paragraph 82.

83. Paragraph 83 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 83.

84. Paragraph 84 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 84.

85. Paragraph 85 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 85.

86. Paragraph 86 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 86.

87. Paragraph 87 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 87.

88. Paragraph 88 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 88.

89. Paragraph 89 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 89.

90. Paragraph 90 includes legal arguments and conclusions to which no response is required; to the extent that any answer may be required, the Vanguard Defendants deny the statements, conclusions, and allegations (if any) in Paragraph 90.

The last unnumbered Paragraph of the Amended Complaint contains the relief Plaintiff is seeking and thus no response is required. To the extent any response is required, the Vanguard Defendants admit that the Plaintiff purports to seek the relief listed in the Prayer for Relief but deny that Plaintiff is entitled to such relief.

AFFIRMATIVE DEFENSES

Without assuming the burden of proof as to the following (other than any burden imposed by law), the Vanguard Defendants further assert:

1. The Amended Complaint fails to state a claim upon which relief may be granted.
2. Each and every one of the Vanguard Defendants alleged to be a control person under section 15 of the 1933 Act had no knowledge of or reasonable grounds to believe in the existence of the facts by reason of which the liability of the controlled person is alleged to exist.
3. Each and every act or omission alleged in the Amended Complaint was performed or omitted in good faith and, therefore, pursuant to section 20(a) of the 1934 Act, there is no control person liability for any act or omission so alleged.
4. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches, release or estoppel.
5. Even assuming *arguendo* that the allegations in the Amended Complaint are true (which they are not), at and around the time of the merger, Plaintiff and all others in the market had actual or constructive knowledge of the alleged omissions; thus, the Vanguard Defendants are not subject to liability.
6. The alleged misstatements were made in good faith and had a reasonable factual and historical basis.
7. To the extent Plaintiff's allegations are based on forward-looking statements, such statements bespoke caution in outlook and fell short of the certainty of assurances required for a finding of falsity.
8. To the extent Plaintiff's allegations are based on forward-looking statements, such statements were: (i) identified as forward-looking statements and accompanied by substantive

and tailored cautionary statements identifying important factors that could cause actual results to differ materially in the forward-looking statements; and/or (ii) immaterial.

9. To the extent Plaintiff's allegations are based on forward-looking statements, such statements are not actionable because they were not made or approved by the Vanguard Defendants with actual knowledge of their falsity.

10. Plaintiff assumed the risk that LRE or Vanguard's distributions could decline or be suspended.

11. In the event that a final judgment is rendered against any of the Vanguard Defendants, each shall be liable solely for the portion of the judgment that corresponds to the percentage of its or his or her responsibility because it or he did not knowingly commit a violation of the federal securities laws.

12. In the event Plaintiff recovers damages, such damages shall be limited to only those losses caused by the fraud as opposed to other factors and/or market conditions. *See* 15 U.S.C. § 78u-4(e) (limitation on damages).

13. To the extent Plaintiff has failed to comply with his duties to take reasonable action to mitigate any damages allegedly sustained as a result of the facts alleged in the Amended Complaint, Plaintiff is barred from recovering such damages that might reasonably have been avoided.

14. Any damages Plaintiff sustained must be offset by any tax or such benefits received.

15. Plaintiff or any members of the purported class cannot claim damages if they sold their securities at prices higher than the prices at which they purchased or acquired those securities.

16. Plaintiff's losses are speculative or uncertain and therefore not compensable.

17. Plaintiff's claims are barred by, or his alleged damages are reduced by, his contributory or comparative fault.

18. The alleged damages were not caused by an act of any Defendant.

19. Plaintiff, by acts, omissions, and/or other conduct, has waived, in whole or in part, the right to obtain the relief sought in the Amended Complaint, or is barred by the doctrine of *res judicata* from obtaining the relief sought in the Amended Complaint.

20. The Vanguard Defendants deny any and all allegations in the Amended Complaint not expressly admitted herein and deny the relief requested by Plaintiff in the Amended Complaint.

RELIEF REQUESTED

Wherefore, having fully answered, the Vanguard Defendants request that the Court deny all relief sought in the Amended Complaint, award the Vanguard Defendants their costs, and grant such other relief as to which the Vanguard Defendants may be entitled.

* * *

The Vanguard Defendants reserve the right to modify their answers to the specific allegations set forth in the Amended Complaint and/or to assert additional defenses as they become known during the pendency of this action.

Dated: April 18, 2018

Respectfully submitted,

/s/ Pilar G. Kraman

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CERTIFICATE OF SERVICE

I, Pilar G. Kraman, hereby certify that on April 18, 2018, I caused to be electronically filed a true and correct copy of the foregoing document with the Clerk of the Court using CM/ECF, which will send notification that such filing is available for viewing and downloading to the following counsel of record:

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