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*Co-Counsel to the Ad Hoc Group*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

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In re: )  
 ) Chapter 11  
ENVIVA INC., et al.,<sup>1</sup> )  
 ) Case No. 24 – 10453 (BFK)  
Debtors. )  
 ) (Jointly Administered)  
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**STATEMENT OF AD HOC GROUP IN SUPPORT OF DEBTORS’  
MOTION UNDER BANKRUPTCY RULES 9023 AND 9024 REQUESTING  
RECONSIDERATION OF MEMORANDUM OPINION AND ORDER DENYING  
DEBTORS’ APPLICATION TO EMPLOY VINSON & ELKINS LLP**

In connection with the chapter 11 cases (the “**Chapter 11 Cases**”) of the above-captioned affiliated debtors-in-possession (collectively, the “**Debtors**”), the Ad Hoc Group,<sup>2</sup> through its

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<sup>1</sup> Due to the large number of Debtors in these jointly administered chapter 11 cases, a complete list of the Debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list may be obtained on the website of the Debtors’ claims and noticing agent at [www.kccllc.net/enviva](http://www.kccllc.net/enviva). The location of the Debtors’ corporate headquarters is: 7272 Wisconsin Avenue, Suite 1800, Bethesda, MD 20814.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Declaration of Glenn Nunziata in Support of Chapter 11 Petitions* [ECF No. 27] or the Motion for Reconsideration, as applicable.



undersigned counsel, files this statement (this “**Statement**”) in support of the *Debtors’ Motion Under Bankruptcy Rules 9023 and 9024 Requesting Reconsideration of Memorandum Opinion and Order Denying Debtors’ Application to Employ Vinson & Elkins LLP* [ECF No. 663] (the “**Motion for Reconsideration**”). The Ad Hoc Group respectfully submits as follows:

**STATEMENT**

1. As a group of creditors holding well over \$1 billion in aggregate claims, the Ad Hoc Group believes it is of utmost importance that (a) the Chapter 11 Cases are administered in a manner that is transparent and fair, and (b) the Debtors benefit fully from unconflicted and expert counsel.

2. Throughout the Debtors’ chapter 11 process, and for many weeks beforehand, the Ad Hoc Group and its advisors have engaged extensively with Vinson & Elkins LLP (“**Vinson & Elkins**”) in its capacity as counsel to the Debtors. In that time, the Ad Hoc Group has observed Vinson & Elkins representing the Debtors vigilantly not just with respect to the bankruptcy process, but also in connection with various corporate, tax, securities, finance and other commercial matters. Based on those interactions, the Ad Hoc Group has observed lawyers from Vinson & Elkins acting as judicious and zealous advocates for the Debtors and does not doubt the loyalty, integrity or skill of the Vinson & Elkins team.

3. Moreover, given the extent and diversity of the services provided by Vinson & Elkins on behalf of the Debtors, it has been the Ad Hoc Group’s observation that ongoing access to the services of Vinson & Elkins—including, importantly, with respect to commercial, operational and other non-bankruptcy matters—is critical to the stability and success of the Debtors and their reorganization process. The Debtors are a large and complex enterprise and require extensive legal support, and Vinson & Elkins has been their primary outside legal counsel

for more than ten years. Indeed, since the Petition Date, Vinson & Elkins has had more than 80 timekeepers work on behalf of the Debtors, the vast majority of which specialize in practices other than bankruptcy and restructuring. *See* Meyer Decl., Ex. A [ECF No. 665].

4. If the Debtors are forced to replace Vinson & Elkins across the numerous areas of service currently provided, the estates risk loss not just in the form of process delay and increased legal costs associated with the onboarding of additional counsel, but also through the potential disruption that upheaval could cause to the Debtors' operation of their business and efforts to restructure relationships with contract counterparties and other commercial stakeholders. It would be a monumental, difficult and costly task for any large and complex business to reconstitute its outside legal function, even with a highly skilled internal management team. For the Debtors—a public company in the midst of a chapter 11 process and intensive negotiations with their largest customers around the world—the risks are particularly severe. At the very least, such an effort could cost millions (or tens of millions) of dollars and take weeks or months to effectuate. At worst, the disruption and loss of continuity at this critical time could lead to mistakes or lapses in execution resulting in irreversible destruction of value. The Ad Hoc Group remains deeply concerned that the Debtors' loss of Vinson & Elkins as ongoing legal counsel will result in such damage.

5. If Vinson & Elkins is not able to continue to represent the Debtors across their various functions, creditors will bear the losses from all resulting damage, cost and delay. In addition, other stakeholders with a vested interest in the Debtors' survival and success as a going concern—such as rank-and-file employees, customers, vendors and the states and municipalities in which the Debtors operate, pay taxes and employ personnel—will see their interests put at risk.

6. Although standards for approval of professional retention do not turn merely on the question of what is best for the Debtors' estates, the Ad Hoc Group respectfully submits that such concerns should be taken into account and given weight as the Court considers the Motion for Reconsideration. In particular, the Ad Hoc Group submits that the additional steps that the Debtors and Vinson & Elkins have proposed to ensure Vinson & Elkins's disinterestedness, coupled with the importance of Vinson & Elkins's continued involvement on behalf of the Debtors to preserve value for the estates and stakeholders, merit the Court's reconsideration.

7. For the foregoing reasons, and without in any way seeking to minimize the important considerations with respect to disinterestedness that resulted in the Court's initial decision denying the Debtors' application to retain Vinson & Elkins, the Ad Hoc Group respectfully requests that the Court grant the Debtors' Motion for Reconsideration, subject to the imposition of proposed ethical screens and profit-sharing carve-outs and/or any other remedies that the Court may deem appropriate to protect the estates and the chapter 11 process.

**CONCLUSION**

8. The Ad Hoc Group supports the Motion for Reconsideration. Nothing herein shall be deemed to waive the Ad Hoc Group's right to modify this Statement, or assert any additional arguments in connection with, or respond to any objections raised to, the Motion for Reconsideration. Nothing herein shall waive or be deemed to waive any of the Ad Hoc Group's rights or remedies, which are expressly reserved and preserved hereby.

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Dated: June 12, 2024  
Richmond, Virginia

/s/ Dion W. Hayes

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*Co-Counsel for the Ad Hoc Group of Creditors*

**Certificate of Service**

The undersigned hereby certifies that on June 12, 2024, a true and correct copy of the foregoing document was served via the Court's Electronic Case Filing System (CM/ECF) to all parties registered to receive such notice in the above-captioned case.

*/s/ Dion W. Hayes* \_\_\_\_\_

Dion W. Hayes