

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL	§	
LIMITED, <i>et al.</i> ,	§	Case No. 20-32243 (MI)
	§	
Debtors. ¹	§	(Jointly Administered)

STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN SUPPORT OF CONDITIONAL APPROVAL OF THE DEBTORS' DISCLOSURE STATEMENT FOR JOINT CHAPTER 11 PLAN OF SPEEDCAST INTERNATIONAL LIMITED AND ITS DEBTOR AFFILIATES

The Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), by and through its undersigned counsel, hereby files this statement in support (the "Statement") of conditional approval of the Debtors' *Disclosure Statement for Joint Chapter 11 Plan of SpeedCast International Limited and its Debtor Affiliates* [ECF No. 810] (the "Disclosure Statement")² and seeks authorization to include a letter in support of the Plan, substantially in the form of **Exhibit A** hereto (the "Recommendation Letter"), in the Debtors' solicitation packages (the "Solicitation Packages"). In support of this Statement, the Committee respectfully submits as follows:

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <http://www.kccllc.net/speedcast>. The Debtors' service address for the purposes of these chapter 11 cases is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Disclosure Statement. The Debtors have informed the Committee that they intend to file, prior to the hearing on conditional approval of the Disclosure Statement that is currently scheduled for October 19, 2020 (the "Hearing"), revised versions of the Plan, Disclosure Statement, and Plan Sponsor Selection Procedures that include revisions to which the Debtors and the Committee have agreed. Without limitation of the other reservations of rights contained in this Statement, the Committee reserves its right to object to the foregoing revised versions to the extent that such agreed-upon changes are not properly reflected or any other revisions are not acceptable to the Committee.



STATEMENT OF SUPPORT

1. The Committee respectfully requests that the Court conditionally approve the Disclosure Statement and authorize the Debtors to begin soliciting votes to accept the Plan. The Committee has been involved in extensive good faith negotiations, including in a court-ordered mediation with Chief Judge David R. Jones of the United States Bankruptcy Court for the Southern District of Texas, among the Debtors and a number of their key economic stakeholders. In addition to these negotiations, the Committee and its professional advisors have been actively involved in the Debtors' chapter 11 cases.

2. It is the goal of the Committee to seek the best possible outcome for unsecured creditors as a whole. Taking into account the current facts and circumstances of these chapter 11 cases, the Committee has determined that the agreements embodied in the Plan, and the respective recoveries provided to the holders of Class 4A Claims and Class 4B Claims under the Plan, represent a fair and reasonable resolution of the interests and rights of the Debtors' creditors. Accordingly, the Committee supports the Plan.

3. The Recommendation Letter outlines the treatment of unsecured creditors under the Plan, the Committee's support of the Plan, and the Committee's recommendation that unsecured creditors vote to accept the Plan. Therefore, the Committee respectfully requests that the Court authorize and direct the Debtors to include the Recommendation Letter in the Solicitation Packages; *provided, however*, the Committee reserves the right to change its position and recommendation that unsecured creditors vote to accept the Plan, or file any objection, response or other pleading in regard to the Plan, the Disclosure Statement or any other matter in the Debtors' chapter 11 cases, to the extent that subsequent developments so warrant, as determined by the Committee, or otherwise. In addition, the Committee expressly reserves the

right to be heard on any matter raised by any other party in connection with the Plan, the Disclosure Statement, or any other matter raised at the Hearing.

4. This Statement and the Recommendation Letter do not, in any way, prohibit or limit any Committee member from (i) taking a separate or different position in its individual capacity, (ii) voting as it sees fit as a creditor of the Debtors, or (iii) participating in the proceedings, in its individual capacity, as to the Plan, the Disclosure Statement, or any other matters before the Court.

CONCLUSION

5. For these reasons, the Committee hereby requests that the Court (i) conditionally approve the Disclosure Statement and authorize the Debtors to begin soliciting votes to accept the Plan, (ii) authorize and direct the Debtors to include the Recommendation Letter in the Solicitation Packages, and (iii) grant such other and further relief as the Court deems just.

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Dated: October 18, 2020

Respectfully submitted,

HUSCH BLACKWELL LLP

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Counsel for the Committee

Exhibit A

Recommendation Letter

**LETTER OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
RECOMMENDING THAT UNSECURED CREDITORS VOTE TO ACCEPT
THE PROPOSED PLAN OF SPEEDCAST INTERNATIONAL LIMITED
Case No. 20-32243 (MI)**

To: Holders of Class 4A and Class 4B Claims (collectively, the “Voting Creditors”):

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”) was appointed by the Office of the United States Trustee to serve as the fiduciary body representing the collective interests of unsecured creditors in the chapter 11 cases of Speedcast International Limited and its affiliated debtors and debtors in possession (collectively, the “Debtors”). The purpose of this letter is to advise you that the Creditors’ Committee recommends that the Voting Creditors vote to **ACCEPT** the Plan.

Background

On October 10, 2020 the Debtors filed the *Disclosure Statement for Joint Chapter 11 Plan of Speedcast International Limited and its Debtor Affiliates* [Docket No. 810] (the “Disclosure Statement”). The Creditors’ Committee submits this recommendation letter regarding the Debtors’ chapter 11 plan (the “Plan”).¹

Pursuant to the Plan, if you are an unsecured "crucial" trade claim creditor with an Allowed Unsecured Trade Claim² against the Debtors, then your claim is classified and treated in Class 4A.³ Each holder of an Allowed Unsecured Trade Claim shall receive its Pro Rata share of the Trade Claim Cash Amount, which is defined in the Plan as an amount equal to \$25,000,000. The precise amount allocable to each holder of an Allowed Class 4A Claim will depend on a number of factors, including the number of allowed claims included in that Class.

Pursuant to the Plan, if you are an unsecured creditor with an Allowed Other Unsecured Claim,⁴ then your claim is classified and treated in Class 4B. Each holder of an Allowed Other Unsecured Claim shall receive its Pro Rata share of the Litigation Trust Distributable Proceeds from the Litigation Trust. The Litigation Trust will be funded with \$2.5 million and certain of the Debtors’ causes of action, as described in the Disclosure Statement. The precise amount of distributable proceeds to holders of Class 4B Claims will depend on a number of factors, including the number of Allowed Class 4B Claims and the amount of proceeds generated from Litigation Trust Causes of Action.

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Disclosure Statement or Plan.

² An “Unsecured Trade Claim” under the Plan means any allowed unsecured trade vendor claims against the Debtors held by trade vendors crucial to the Debtors’ businesses, as determined by the Debtors pursuant to the methodology described in the Disclosure Statement.

³ Each unsecured creditor will receive a ballot to vote on the Plan that designates such creditor as either a Class 4A or Class 4B claimant.

⁴ An “Other Unsecured Claim” under the Plan means any Claim against the Debtors (other than an Intercompany Claim) that is (i) not an Administrative Expense Claim, Fee Claim, Priority Tax Claim, Other Priority Claim, Other Secured Claim, DIP Claim, Syndicated Facility Secured Claim, or Unsecured Trade Claim, or (ii) otherwise determined by the Bankruptcy Court to be an Other Unsecured Claim.

Class 4A Claims and Class 4B Claims are treated separately under the Plan, as described above. Holders of Class 4B Claims are not eligible to receive distributions from the Trade Claim Cash Amount and Class 4A Claims are not entitled to share in the Litigation Trust Distributable Proceeds. More information about distributions to Claims in Class 4A and Claims in Class 4B is set forth in the Disclosure Statement.

Recommendation

The Plan, Disclosure Statement, and related procedures are the result of extensive good faith negotiations, including through a court-ordered mediation with Chief Judge David R. Jones of the United States Bankruptcy Court for the Southern District of Texas, among the Debtors and a number of their key economic stakeholders, including the Creditors' Committee. The Creditors' Committee believes that the agreements embodied in the Plan, and the respective recoveries provided to the holders of Class 4A and Class 4B Claims under the Plan, represent a fair and reasonable resolution of the interests and rights of the Debtors' creditors.

The Creditors' Committee therefore supports the Plan and believes that the Plan is in the best interests of the Voting Creditors as a whole under the circumstances. The Creditors' Committee recommends that Voting Creditors vote to ACCEPT the plan.

The Creditors' Committee recommends that, prior to voting on the Plan, each unsecured creditor carefully review the materials provided to them, including without limitation, the Disclosure Statement and the Plan, with such materials being available: (a) for free from KCC by visiting <http://www.kccllc.net/Speedcast> and/or calling KCC at (877) 709-4758 (U.S./Canada) or (424) 236-7236 (International); or (b) for a fee via PACER at <https://www.txs.uscourts.gov/page/bankruptcy-court>.

Please note that, although the Creditors' Committee, by this letter, expresses support regarding the Plan, this letter does not necessarily reflect the views of any of the individual members of the Creditors' Committee, each of which reserves any and all of its rights.

If you have any questions with respect to the Plan, the proposed treatment of your claims or the information contained in this letter, please contact Hogan Lovells US LLP (Attn: David Simonds (david.simonds@hoganlovells.com); Ronald Silverman (ronald.silverman@hoganlovells.com), and John Beck (john.beck@hoganlovells.com)).

Very truly yours,

The Official Committee of Unsecured Creditors
of Speedcast International Limited, *et al.*

YOU ARE URGED TO CAREFULLY READ THE PLAN AND DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED THERETO IN THEIR ENTIRETY. THE DESCRIPTION OF THE PLAN AND DISCLOSURE STATEMENT IN THIS LETTER IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN SELECTED PROVISIONS PREPARED BY THE CREDITORS' COMMITTEE.

THIS LETTER MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN HOW TO VOTE ON THE PLAN AND DISCLOSURE STATEMENT AND THE INFORMATION CANNOT BE RELIED UPON FOR ANY OTHER PURPOSE.

THERE IS ALWAYS A RISK THAT FURTHER LITIGATION AND/OR A LATER SETTLEMENT COULD RESULT IN HIGHER OR LOWER RECOVERIES FOR HOLDERS OF UNSECURED CLAIMS THAN THE PLAN AND DISCLOSURE STATEMENT. THE CREDITORS' COMMITTEE DOES NOT GUARANTEE ANY PARTICULAR RESULT IN THE DEBTORS' CHAPTER 11 CASES.

ALTHOUGH THE BANKRUPTCY COURT HAS AUTHORIZED THE DEBTORS TO INCLUDE THIS RECOMMENDATION LETTER AS PART OF THE SOLICITATION PACKAGE, SUCH AUTHORIZATION DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN AND DISCLOSURE STATEMENT OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS COMMUNICATION DOES NOT CONSTITUTE, AND SHALL NOT BE CONSTRUED AS, A SOLICITATION BY ANY INDIVIDUAL MEMBER OF THE CREDITORS' COMMITTEE OR ANY OF ITS REPRESENTATIVES.

THE COMMITTEE RESERVES THE RIGHT TO CHANGE ITS POSITION AND RECOMMENDATION THAT VOTING CREDITORS VOTE TO ACCEPT THE PLAN, OR FILE ANY OBJECTION, RESPONSE OR OTHER PLEADING IN REGARD TO THE PLAN, THE DISCLOSURE STATEMENT OR ANY OTHER MATTER IN THE DEBTORS' CHAPTER 11 CASES, TO THE EXTENT THAT SUBSEQUENT DEVELOPMENTS SO WARRANT, AS DETERMINED BY THE COMMITTEE, OR OTHERWISE.