

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In re)
) Chapter 11
)
WALTER ENERGY, INC., et al.,¹) Case No. 15-02741-TOM11
)
)
Debtors.) Jointly Administered
)

LIMITED RESERVATION OF RIGHTS
OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO DEBTORS'
MOTION FOR AN ORDER (A) ESTABLISHING NOTIFICATION PROCEDURES
AND APPROVING RESTRICTIONS ON CERTAIN TRANSFERS OF INTERESTS IN
THE DEBTORS' ESTATES AND (B) GRANTING RELATED RELIEF

The Official Committee of Unsecured Creditors (the "Committee") of Walter Energy, Inc., et al. (collectively, the "Debtors"), by and through its undersigned proposed counsel, hereby files this limited reservation of rights ("Limited Reservation") to the Debtors' Motion for an Order (A) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates and (B) Granting Related Relief [Docket No. 27] (the "Motion").² The Committee respectfully represents as follows:

1. The Committee does not object to the relief being sought in the Motion. In fact, the Committee supports such relief, and files this Limited Reservation in order to encourage the

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors' corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-2359.

² The Motion was previously approved on an interim basis. See Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates [Docket No. 72].



Debtors to take additional steps to put similar measures in place concerning the trading of claims to protect the value of certain of the Debtors' tax attributes.

2. The Committee has a fiduciary obligation to ensure that the Debtors consider all possible restructuring alternatives in an effort to maximize value for their creditor constituencies. In that regard, the professionals for the Committee are evaluating whether there are alternative restructuring and/or sale scenarios in which the Debtors' net operating losses can be used to maximize recovery value for the Debtors' estates and their creditors.

3. In order to preserve optionality for the Debtors' estates, the Committee believes it would be in the best interests of the Debtors' estates to immediately put measures in place that regulate creditors' trading of claims against the Debtors in order to ensure that the Debtors are able to avail themselves of the statutory exceptions provided by sections 382(1)(5) or 382(1)(6) of the Internal Revenue Code and thereby avoid any limitation on the Debtors' future use of a potentially valuable asset of the Debtors' estates.

4. Therefore, the Committee files this Limited Reservation to highlight for the Court an issue of great importance to the Committee and encourages the Debtors to promptly address the Committee's concern by seeking the appropriate relief from the Court in an expeditious manner.

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Dated: Birmingham, Alabama
August 26, 2015

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*Proposed Counsel for the Official
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