

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

In re:

Chapter 11

WALTER ENERGY, INC., *et al.*,<sup>1</sup>

Case No. 15-02741 (TOM)

Debtors.

Jointly Administered

**SUPPLEMENTAL CERTIFICATE OF SERVICE**

I, Stephanie Delgado, depose and say that I am employed by Kurtzman Carson Consultants LLC (“KCC”), the claims and noticing agent for the Debtors in the above-captioned cases.

On January 5, 2016, at my direction and under my supervision, employees of KCC caused the following documents to be served per postal forwarding address via First Class mail to the parties on the service list attached hereto as **Exhibit A**:

- **Notice of Bidding Procedures, Auction Date, and Sale Hearing**, attached hereto as **Exhibit B**
- **Notice Regarding Order (I) Establishing Bidding Procedures for the Sale(s) of All, or Substantially All, of the Debtors’ Assets; (II) Approving Bid Protections; (III) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Approving Form and Manner of the Sale, Cure and Other Notices; (V) Scheduling an Auction and a Hearing to Consider the Approval of the Sale(s); and (VI) Granting Certain Related Relief** [Docket. No. 1121]

Additionally, on January 5, 2016, at my direction and under my supervision, employees of KCC caused the following document to be served per postal forwarding address via First Class Mail upon the service list attached hereto as **Exhibit C**:

<sup>1</sup> 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.



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- **[Customized] Notice Regarding Order (I) Establishing Bidding Procedures for the Sale(s) of All, or Substantially All, of the Debtors' Assets; (II) Approving Bid Protections; (III) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Approving Form and Manner of the Sale, Cure and Other Notices; (V) Scheduling an auction and a Hearing to Consider the Approval of the Sale(s); and (VI) Granting Certain Related Relief**

Additionally, on January 5, 2016, at my direction and under my supervision, employees of KCC caused the following document to be served per postal forwarding address via First Class Mail upon the service list attached hereto as Exhibit D for subsequent distribution to beneficial holders of the Common Stock, CUSIP 93317Q 10 5.

- **Notice of Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in Debtors' Estates [attached hereto as Exhibit E]**

Dated: January 8, 2016

/s/ Stephanie Delgado  
Stephanie Delgado  
KCC  
2335 Alaska Ave  
El Segundo, CA 90245  
Tel 310.823.79000

# Exhibit A

Exhibit A  
Creditor Matrix  
Served via First Class Mail

CreditorName	CreditorNoticeName	Address	City	State	Zip
Charles Grammer		432 Harbor Ter	Bartlett	IL	60103-4844
CRS Holding of America		1601 Jackson St Ste 200	Fort Myers	FL	33901-2968
DSN Direct Serv. Network Ltd		PO Box 887	Orland Park	FL	60462-0887
Michael A. Carso, III		67632 Walker Rd	Kentwood	LA	70444-6313
Paula S. Savoy	Roger P. Savoy	259 Deer Valley Dr	Powderly	TX	75473-5520
Rocky Mountain MKTG Specialist		14 Inverness Dr E Ste E136	Englewood	CO	80112-5635
Walker, Jerry L		1500 8th St NW Apt B	Jasper	AL	35503-6522

# Exhibit B

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

----- X  
In re: : Chapter 11  
: :  
WALTER ENERGY, INC., et al., : Case No. 15-02741-TOM11  
: :  
Debtors.<sup>1</sup> : Jointly Administered  
: :  
----- X

**NOTICE OF BIDDING PROCEDURES, AUCTION DATE, AND SALE HEARING**

**PLEASE TAKE NOTICE THAT:**

1. On November 5, 2015 Walter Energy, Inc. (the “**Company**”) and its affiliated debtors and debtors in possession in the above-captioned bankruptcy cases (collectively with the Company, the “**Debtors**” or “**Sellers**”) filed their Motion (the “**Motion**”) for (A) an Order (I) Establishing Bidding Procedures for the Sale(s) of All, or Substantially All, of the Debtors’ Assets; (II) Approving Bid Protections; (III) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (IV) Approving Form and Manner of the Sale, Cure and Other Notices; and (V) Scheduling an Auction and a Hearing to Consider the Approval of the Sale(s); (B) Order(s) (I) Approving the Sale(s) of the Debtors’ Assets Free and Clear of Claims, Liens and Encumbrances; and (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Certain Related Relief.<sup>2</sup> By the Motion, the Debtors seek, *inter alia*, to sell (the “**Sale(s)**”) all or substantially all of their assets (the “**Subject Assets**”) and to assume and assign certain executory contracts and unexpired leases (the “**Available Contracts**”) to Coal Acquisition LLC (the “**Stalking Horse Purchaser**”) pursuant to a stalking horse asset purchase agreement by and among the Sellers and the Stalking Horse Purchaser (the “**Stalking Horse Agreement**”), subject to higher or otherwise better offers, and/or one or more Successful Bidder(s) at the Auction, as applicable.

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used herein but not otherwise defined in this notice (the “**Notice**”) shall have the meanings ascribed to them in the Motion.

2. On November 25, 2015, pursuant to the Motion, the Court entered an Order (the “**Bidding Procedures Order**”) approving auction and bidding procedures (the “**Bidding Procedures**”) in connection with the proposed Sale(s). A copy of the Motion, the Bidding Procedures Order and the Bidding Procedures can be obtained free of charge on <http://www.kccllc.net/walterenergy>.

3. The Auction shall take place on **January 5, 2016 at 10:00 a.m. (prevailing Central Time)** at the offices of Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, or such other place and time as the Debtors shall notify all Qualified Bidders, the Consultation Parties and each of their respective counsel and advisors.

4. A hearing to approve the Sale(s) (the “**Sale Hearing**”), including the assumption and assignment of certain Available Contracts, will be held on **January 6, 2016 at 9:00 a.m. (prevailing Central Time)**, at the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, 1800 Fifth Avenue North Birmingham, Alabama 35203, before the Honorable Tamara O. Mitchell. The Sale Hearing may be adjourned or, if there is more than one Successful Bidder, bifurcated by the Debtors, in consultation with the Consultation Parties, from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment or bifurcation in open court on the date scheduled for the Sale Hearing, or by filing a notice on the docket of the Debtors’ Chapter 11 Cases.

5. Pursuant to the Bidding Procedures Order, any objections to the Sale(s) (“**Sale Objections**”) must be set forth in writing and must state with particularity the grounds for such objections or other statements of position. Sale Objections must be filed with the Clerk and served on (a) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Kelley A. Cornish ([kcornish@paulweiss.com](mailto:kcornish@paulweiss.com)) and Stephen J. Shimshak ([sshimshak@paulweiss.com](mailto:sshimshak@paulweiss.com)), and Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Patrick J. Darby ([pdarby@babco.com](mailto:pdarby@babco.com)); (b) counsel to the Steering Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention: Ira Dizengoff ([idizengoff@akingump.com](mailto:idizengoff@akingump.com)) and Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, NW, Washington, DC 20036, Attention: James Savin ([jsavin@akingump.com](mailto:jsavin@akingump.com)); (c) counsel to the UCC, Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019, Attention: Brett H. Miller ([brettmiller@mofocom](mailto:brettmiller@mofocom)), Lorenzo Marinuzzi ([lmarinuzzi@mofocom](mailto:lmarinuzzi@mofocom)), and Jennifer L. Marines ([jmarines@mofocom](mailto:jmarines@mofocom)); (d) counsel to the Section 1114 Committee, Jenner & Block LLP, 353 North Clark Street, Chicago, IL 60654, Attention: Catherine Steege ([csteege@jenner.com](mailto:csteege@jenner.com)) and Melissa Root ([mroot@jenner.com](mailto:mroot@jenner.com)); and (e) the Bankruptcy Administrator, 1800 5th Avenue North, Birmingham, Alabama 35203, Attention: Tom Corbett ([Thomas\\_Corbett@alnb.uscourts.gov](mailto:Thomas_Corbett@alnb.uscourts.gov)) (collectively, the “**Notice Parties**”) by **4:00 p.m. (prevailing Central Time) on December 17, 2015**; provided that objections to the conduct of the Auction or selection of the Successful Bid(s) or Back-Up Bid(s) shall be in writing, filed with the Clerk, together with proof of service, and served so as to be received by the Notice Parties on or before **thirty (30) minutes prior to the commencement of the Sale Hearing**. UNLESS AN OBJECTION IS TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY

THE COURT AND THE COURT MAY GRANT THE RELIEF REQUESTED WITHOUT FURTHER HEARING AND NOTICE.

6. This Notice is subject to the fuller terms and conditions of the Motion and the Bidding Procedures Order, which shall control in the event of any conflict, and the Debtors encourage parties-in-interest to review such documents in their entirety.

Dated: November 25, 2015  
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

By: /s/ Patrick Darby  
Patrick Darby  
Jay Bender  
Cathleen Moore  
James Bailey  
One Federal Place  
1819 Fifth Avenue North  
Birmingham, Alabama 35203  
Telephone: (205) 521-8000  
Email: pdarby@babbc.com, jbender@babbc.com,  
ccmoore@babbc.com, jbailey@babbc.com

- and -

PAUL, WEISS, RIFKIND, WHARTON &  
GARRISON LLP  
Stephen J. Shimshak (*pro hac vice*)  
Kelley A. Cornish (*pro hac vice*)  
Claudia R. Tobler (*pro hac vice*)  
Ann K. Young (*pro hac vice*)  
Michael S. Rudnick (*pro hac vice*)  
1285 Avenue of the Americas  
New York, New York 10019  
Telephone: (212) 373-3000  
Email: sshimshak@paulweiss.com, kcornish@paulweiss.com,  
ctobler@paulweiss.com, ayoun@paulweiss.com,  
mrudnick@paulweiss.com

*Counsel to the Debtors and  
Debtors-in-Possession*



# Exhibit C

Exhibit C  
Served via First Class Mail

CreditorName	Address	City	State	Zip
Camille A Kramer	7092 S Outer 364 Apt 266	O Fallon	MO	63368-7713
Charles D Grammer Jr	432 Harbor Ter	Bartlett	IL	60103-4844
David E Sullivan	1108 Robinwood Rd Apt M	Gastonia	NC	28054-6657
Elizabeth Anne Mullenix Sims	1120 English Ivy Dr	Prosper	TX	75078-5615
James L Fowler	2402 Mount Pleasant Rd	Fayette	AL	35555-4268

# Exhibit D

Exhibit D

CreditorName	CreditorNoticeName	Address	City	State	Zip
Scotia Capital USA Inc	Tim Corso	2 World Financial Ctr Fl 23	New York	NY	10281-1468

# Exhibit E

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

In re:

WALTER ENERGY, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 15-02741-TOM11

Jointly Administered

**NOTICE OF FINAL ORDER ESTABLISHING  
NOTIFICATION PROCEDURES AND APPROVING RESTRICTIONS  
ON CERTAIN TRANSFERS OF INTERESTS IN DEBTORS' ESTATES**

**TO ALL PERSONS OR ENTITIES WITH EQUITY INTERESTS IN WALTER ENERGY, INC.:**

PLEASE TAKE NOTICE that on July 15, 2015, the debtor entities listed herein commenced cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Upon the commencement of a chapter 11 case, section 362(a) of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates or to exercise control over property of the Debtors' estates.<sup>2</sup>

<sup>1</sup> 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. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of the Debtors' bankruptcy cases.

<sup>2</sup> Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates* (the "Order").

PLEASE TAKE FURTHER NOTICE that on July 15, 2015, the Debtors filed a motion seeking entry of an order establishing notification procedures and approving restrictions on certain transfers of interests in the Debtors and their estates (the "Motion").

PLEASE TAKE FURTHER NOTICE that on September 8, 2015, the United States Bankruptcy Court for the Northern District of Alabama (the "Court") having jurisdiction over these chapter 11 cases entered an order (i) finding that the Debtors' net operating losses ("NOLs") and NOL carryforwards, consolidated net unrealized built-in losses ("NUBILs") and tax credits are property of the Debtors' estates and are protected by section 362(a) of the Bankruptcy Code, (ii) finding that unrestricted trading of the Stock could severely limit the Debtors' ability to use their NOLs, NOL carryforwards, NUBILs, and tax credits for U.S. federal income tax purposes and (iii) approving the procedures (the "Trading Procedures") set forth below to preserve the Debtors' Tax Attributes pursuant to sections 105(a) and 362(a) of the Bankruptcy Code.

**Any sale or other transfer in violation of the Trading Procedures set forth below shall be null and void *ab initio* as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.**

PLEASE TAKE FURTHER NOTICE that the following procedures and restrictions have been approved by the Court:

- (a) Notice of Substantial Stock Ownership. Any person or Entity that is a Beneficial Owner, at any time on or after the Motion Date, of Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder shall file with the Court, and serve upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee of Unsecured Creditors (the "Official Committee") a Notice of Substantial Stock Ownership (a "Substantial Ownership Notice") substantially in the form annexed to this Order as Exhibit A, which describes specifically and in detail the Stock ownership of such person or Entity, on or before the date that is the later of: (a) fifteen (15) business days after the entry of this

Order and (b) fifteen (15) business days after that person or Entity qualifies as a Substantial Equityholder. At the holder's election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns.

- (b) Acquisition of Stock. At least fifteen (15) business days prior to the proposed date of any transfer of Stock that would result in an increase in the amount of Stock Beneficially Owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a "Proposed Equity Acquisition Transaction"), such person, Entity or Substantial Equityholder (a "Proposed Equity Transferee") shall file with the Court and serve upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee a Notice of Intent to Purchase, Acquire or Otherwise Accumulate Beneficial Ownership of Stock (an "Equity Acquisition Notice"), substantially in the form annexed to this Order as Exhibit B, which describes specifically and in detail the proposed transaction in which Stock is to be acquired. At the holder's election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns and proposes to purchase or otherwise acquire.
- (c) Disposition of Stock. At least fifteen (15) business days prior to the proposed date of any transfer or other disposition of Stock that would result in a decrease in the amount of Stock Beneficially Owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a "Proposed Equity Disposition Transaction," and together with a Proposed Equity Acquisition Transaction, a "Proposed Equity Transaction"), such person, Entity, or Substantial Equityholder (a "Proposed Equity Transferor") shall file with the Court and serve upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee a Notice of Intent to Sell, Exchange or Otherwise Transfer Beneficial Ownership of Stock (an "Equity Disposition Notice," and together with an Equity Acquisition Notice, an "Equity Trading Notice"), substantially in the form annexed to this Order as Exhibit C, which describes specifically and in detail the proposed transaction in which Stock would be transferred. At the holder's election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors, counsel to the Steering Committee, and counsel to the Official Committee) may be redacted to exclude such holder's taxpayer identification number and the number of shares of Stock



that such holder Beneficially Owns and proposes to sell or otherwise transfer.

- (d) Objection Procedures. The Debtors, in consultation with counsel to the Steering Committee and counsel to the Official Committee, shall have fifteen (15) calendar days after the filing with the Court of an Equity Trading Notice (the “Trading Objection Deadline”) to file with the Court and serve on such Proposed Equity Transferee or Proposed Equity Transferor, as the case may be, an objection to any proposed transfer of Stock described in the Equity Trading Notice on the grounds that such transfer might adversely affect the Debtors’ ability to utilize their Tax Attributes (a “Trading Objection”).
- (i) If the Debtors file a Trading Objection by the Trading Objection Deadline, then the Proposed Equity Transaction shall not be effective unless approved by a final and non-appealable order of this Court or otherwise agreed to by the Debtors.
- (ii) If the Debtors, in consultation with the counsel to the Steering Committee and counsel to the Official Committee, elect not to file a Trading Objection by the Trading Objection Deadline, or if the Debtors, in consultation with counsel to the Steering Committee and counsel to the Official Committee, provide written authorization to a Proposed Equity Transferee or Proposed Equity Transferor, as the case may be, approving the Proposed Equity Transaction prior to the Trading Objection Deadline, then such Proposed Equity Transaction may proceed solely as specifically described in the Equity Trading Notice. Any further Proposed Equity Transaction must be the subject of additional notices as set forth herein, with an additional fifteen (15) day waiting period.
- (e) Noncompliance with the Trading Procedures. Effective as of the Motion Date and until further order of the Court to the contrary, any trade, acquisition, purchase, sale or other transfer or disposition of any Stock in violation of the Trading Procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and the stays approved pursuant to the Court’s orders approving these Trading Procedures, and shall confer no rights on the transferee. Any person or Entity acquiring or disposing of any Stock in violation of the Trading Procedures may be subject to such sanctions as the Court may consider appropriate under sections 105 and 362 of the Bankruptcy Code and the Court’s general equitable powers.
- (f) Confidentiality. Except to the extent information contained in any submission to the Court pursuant to the Trading Procedures set forth herein is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors, counsel to the Steering

Committee, and counsel to the Official Committee shall keep all additional information provided in connection with these Trading Procedures strictly confidential; provided, however, that the Debtors may disclose the information to their counsel and the Debtors, counsel to the Steering Committee, and counsel to the Official Committee may disclose the information to the Debtors', Steering Committee's, and Official Committee's professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors (as applicable), each of whom shall keep all such notices strictly confidential. To the extent non-public information is requested in these Trading Procedures or requests for information related thereto, all non-public information may be redacted from any filing made with the Court.

- (g) Cooperation. Any person or Entity making a filing pursuant to these Trading Procedures shall, upon reasonable request by the Debtors, (i) provide the Debtors, counsel to the Steering Committee, and counsel to the Official Committee any additional information in connection with the evaluation of the action contemplated in such notice, and (ii) use reasonable efforts to elicit cooperation from its shareholders, partners, officers, directors, members or other beneficial owners in connection therewith.
- (h) Interpretation. These Trading Procedures are intended to preserve, to the maximum extent possible, the Debtors' ability to obtain the maximum benefit from their Tax Attributes and, accordingly, any interpretative question that may arise under these Trading Procedures shall be resolved in the manner that will reduce the risks that a transfer of Stock might jeopardize the Debtors' use of their Tax Attributes.
- (i) Debtors' Right to Waive. The Debtors, in consultation with the counsel to the Steering Committee and counsel to the Official Committee, may waive, in writing, any or all of the Trading Procedures contained in the Motion.
- (j) Service on the Debtors. For purposes of the Trading Procedures, service on the Debtors shall mean delivery to: (a) Walter Energy, Inc., 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244, Attention: Michael Hurley, Vice President, Tax; (b) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Michael Rudnick, Ann Young and Claudia Tobler; and (c) co-counsel to the Debtors, Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: James Bailey.

- (k) Service on Counsel to the Steering Committee. For purposes of the Trading Procedures, service on counsel to the Steering Committee shall mean delivery to: (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attention: Ira Dizengoff and Kristine Manoukian, (b) Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, NW, Washington, DC 20036, Attention: James Savin, and (c) Burr & Forman LLP, 420 North 20<sup>th</sup> Street, Suite 3400, Birmingham, Alabama 35203, Attention: Michael L. Hall.
- (l) Service on Counsel to the Official Committee. For purposes of the Trading Procedures, service on counsel to the Official Committee shall mean delivery to: (a) Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019, Attention: Brett H. Miller (email: brettmiller@mof.com), Lorenzo Marinuzzi (email: lmarinuzzi@mof.com), and Jennifer L. Marines (email: jmarines@mof.com), and (b) Christian & Small LLP, 505 North 20<sup>th</sup> Street, Suite 1800, Birmingham, Alabama 35203-2696, Attention: Bill D. Bensinger (email: bdbensinger@csattorneys.com) and Daniel D. Sparks (email: ddsparks@csattorneys.com).
- (m) Definitions. For purposes of these Trading Procedures, the following terms have the following meanings:
- (i) Stock. “Stock” means the common shares of Walter Energy and any beneficial interest therein, including any Options to acquire such common shares.
- (ii) Option. An “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is contingent or otherwise not currently exercisable.
- (iii) Entity. “Entity” has the meaning given to such term by the U.S. Department of Treasury regulations promulgated under section 382 of the IRC (“Treasury Regulations”).
- (iv) Beneficial Ownership. “Beneficial Ownership” (or any variation thereof of Stock and Options to acquire Stock) shall be determined in accordance with applicable rules under section 382 of the IRC, the related Treasury Regulations and rulings issued by the Internal Revenue Service, and, thus, to the extent provided in those rules, from time to time shall include, without limitation, (A) direct and indirect ownership (e.g., a holding company would be considered to beneficially own all stock owned or acquired by its subsidiaries), (B) ownership by a holder’s family members and any group of persons acting pursuant to a formal or informal understanding to make a coordinated acquisition of stock, and (C)

in certain cases, the ownership of an Option to acquire Stock. The term Beneficial Ownership of Stock shall include any variation of beneficial ownership of Stock and an Option to acquire Stock.

- (v) Substantial Equityholder. A “Substantial Equityholder” is any person or Entity that Beneficially Owns at least 4.5%, or 3,632,136, shares of all issued and outstanding shares of Stock.
- (vi) Motion Date. The “Motion Date” means July 15, 2015, the date on which the Motion was filed with the Court.

The Debtors (i) served this notice, by priority mail, postage prepaid, or by electronic mail, to the following persons: (A) the Office of the Bankruptcy Administrator for the Northern District of Alabama (the “Bankruptcy Administrator”); (B) counsel to the administrative agent for the Debtors’ prepetition secured credit facility; (C) the indenture trustee for each of the Debtors’ outstanding bond issuances; (D) counsel to the Steering Committee; (E) the Internal Revenue Service (the “IRS”); (F) the U.S. Attorney for the Northern District of Alabama; (G) the Securities and Exchange Commission (the “SEC”); (H) the directly registered holders of the Stock to the extent known; (I) the beneficial holders of the Stock via such beneficial holders’ banks, brokers, custodians, dealers, and other agents, intermediaries, and nominees (collectively, the “Nominees”); and (J) counsel to the Official Committee; (ii) posted this notice, together with a copy of the Order and the form of Substantial Ownership Notice, Equity Acquisition Notice and Equity Disposition Notice on the Debtors’ case information website (<http://www.kccellc.net/walterenergy>); and (iii) submitted this notice for publication on the Bloomberg newswire service and the Depository Trust Legal Noticing System (LENS).

**Upon receipt of this notice, each of the Nominees are required, within five (5) business days of receipt of such notice and on at least a quarterly basis thereafter, to send such notice to all registered or otherwise known holders of any Stock. Any such registered or otherwise known holder, in turn, must, within five (5) business days of receipt of each**

**such notice, provide such notice to any holder for whose account such registered holder holds any Stock, and so on down the chain of ownership.**

**Any entity or broker or agent acting on such entity's behalf that sells in excess of 3,632,136 shares of Stock to another entity must serve a copy of this notice on such purchaser of such Stock or any broker or agent acting on such purchaser's behalf.**

The relief granted in the Order is intended solely to permit the Debtors to protect, preserve and maximize the value of their Tax Attributes. Accordingly, except to the extent the Order expressly conditions or restricts trading Stock, nothing in the Order shall or shall be deemed to prejudice, impair or otherwise alter or affect the rights of any holders of Stock, including in connection with the treatment of any such interests under any chapter 11 plan or any applicable bankruptcy court order.

Nothing in the Order shall preclude any interested party from seeking appropriate relief from the provisions of the Order.

**FAILURE TO FOLLOW THE TRADING PROCEDURES SET FORTH IN THIS NOTICE WILL CONSTITUTE A VIOLATION OF THE AUTOMATIC STAY PRESCRIBED BY SECTIONS 105 AND 362 OF THE BANKRUPTCY CODE.**

**ANY PROHIBITED SALE, TRADE OR OTHER TRANSFER OF THE STOCK IN VIOLATION OF THE ORDER WILL BE NULL AND VOID *AB INITIO* AND MAY LEAD TO SUCH SANCTIONS AS THE COURT MAY CONSIDER APPROPRIATE, INCLUDING CONTEMPT, COMPENSATORY DAMAGES, PUNITIVE DAMAGES OR OTHER SANCTIONS.**