

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

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<b><u>In re</u></b>	)	<b>Chapter 11</b>
	)	
<b>Walter Energy, Inc., et al.,</b>	)	<b>Case No. 15-02741-TOM-11</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>
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**STATEMENT OF FINANCIAL AFFAIRS FOR**

**Walter Home Improvement, Inc.**

**Case No: 15-02760-TOM-11**



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

**Walter Home Improvement, Inc.**

**Case Number: 15-02760-TOM-11**

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**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER REGARDING  
DEBTOR'S SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

**INTRODUCTION**

**General**

Walter Energy, Inc. (“**Walter**”) and 22 of its direct and indirect subsidiaries and affiliates (collectively, with Walter, the “**Debtors**”) are filing their respective Schedules of Assets and Liabilities (the “**Schedules**”) and Statements of Financial Affairs (the “**SOFAs**”) in the United States Bankruptcy Court for the Northern District of Alabama (the “**Bankruptcy Court**”). The Debtors prepared the Schedules and SOFAs pursuant to section 521 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), with the assistance of their advisors.

The Schedules and SOFAs are unaudited. Although management has made reasonable efforts to ensure that the Schedules and SOFAs are accurate and complete based on information that was available to them at the time these Schedules and SOFAs were prepared, subsequent information or discovery may result in material changes to these Schedules and SOFAs, and inadvertent errors or omissions may exist in the Schedules and SOFAs. Moreover, because the Schedules and SOFAs contain unaudited information that is subject to further review and potential adjustment, there can be no assurance that these Schedules and SOFAs are wholly accurate and complete.

These Global Notes and Statement of Limitations, Methods and Disclaimer Regarding the Debtors’ Schedules and SOFAs (the “**Global Notes**”) are incorporated by reference in, and comprise an integral part of, each of the Schedules and SOFAs, and should be referred to and reviewed in connection with any review of the Schedules and SOFAs. In the event the Schedules and/or the SOFAs conflict with or differ from these Global Notes, the terms of these Global Notes shall control.

**Description of the Cases and “As of” Information Date**

On July 15, 2015 (the “**Petition Date**”), the Debtors each filed a voluntary petition in the Bankruptcy Court for reorganization under chapter 11 of the Bankruptcy Code. The cases have been consolidated solely for the purpose of joint administration under case number 15-02741 (TOM11). Each Debtor’s fiscal year ends on December 31. All asset information contained in the Schedules and SOFAs, except where otherwise noted, is as of June 30, 2015. The liability information, except where otherwise noted, is as of the Petition Date.

**Basis of Presentation**

For financial reporting purposes, Walter prepares consolidated financial statements. These consolidated financial statements are filed with the Securities and Exchange Commission (the “**SEC**”) and are audited annually. Unlike the consolidated financial statements, these Schedules and SOFAs, except as indicated herein, reflect the assets and liabilities of each Debtor. In addition, not all of the direct and indirect subsidiaries of Walter have filed for protection under chapter 11 of the Bankruptcy Code. Accordingly, combining the assets and claims set forth in the Schedules and SOFAs of the Debtors would result in amounts that would be substantially different from financial information for Walter and its respective consolidated subsidiaries that would be prepared under Generally Accepted Accounting Principles (“**GAAP**”). Therefore, these Schedules and SOFAs do not purport to represent financial statements prepared in accordance with GAAP, nor are they intended to reconcile to the financial statements filed by Walter with the SEC.

The Debtors and their agents, attorneys and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While all reasonable efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys, and financial advisors expressly do not undertake any obligation to update, modify, revise or re-categorize the information provided herein, or to notify any third party should the information be updated, modified, revised or re-categorized. In no event shall the Debtors or their agents, attorneys and financial advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys, and financial advisors are advised of the possibility of such damages.

William G. Harvey, the Chief Financial Officer of Walter Energy, Inc., has signed each of the Schedules and SOFAs on behalf of each of the Debtors. In reviewing and signing the Schedules and SOFAs, Mr. Harvey necessarily has relied upon the efforts, statements, and representations of various personnel employed by the Debtors and their advisors. Mr. Harvey has not (and could not have) personally verified the accuracy and completeness of each statement and representation contained in the Schedules and SOFAs, including statements and representations concerning amounts owed to creditors, classification of such claims, and creditor addresses.

**GLOBAL NOTES OVERVIEW AND METHODOLOGY**

**Reservation of Rights; Amendments**

Although reasonable efforts have been made to prepare and file accurate and complete Schedules and SOFAs for each of the Debtors, they nevertheless may contain inadvertent errors or omissions. The Debtors reserve the right to amend and/or supplement their Schedules and SOFAs from time to time as they deem necessary or appropriate, including, without limitation, the right to amend the Schedules and SOFAs with respect to (a) the description or designation of any claim, including the Debtor or Debtors against which any claim is asserted; (b) the characterization of any claim as disputed or undisputed, contingent on non-contingent, liquidated or unliquidated; (c) the characterization of any claim as secured, unsecured, or priority; (d) the characterization of any asset as being an interest in real property or in personal property; (e) the characterization of any interest of the Debtor as being held in fee, or as a leasehold, or in any other manner; (f) the value of any interest of any Debtor in any asset; and (g) the executory or non-executory nature of any contract to which any Debtor is or may be a party or the unexpired or expired status of any lease to which any Debtor is or may be a party. Any specific reservation of right contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph.

**Confidentiality**

There are instances within the Schedules and SOFAs where names, addresses or amounts have been left blank. Due to the nature of an agreement between the Debtors and a third party, concerns of confidentiality or concerns for the privacy of an individual, the Debtors may have deemed it appropriate and necessary to avoid listing

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such names, addresses and amounts.

**Re-characterization**

The Debtors have made reasonable efforts to characterize, classify, categorize or designate correctly the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and SOFAs. However, due to the complexity and size of the Debtors' businesses, the Debtors may have improperly characterized, classified, categorized or designated certain items. The Debtors reserve their rights to re-characterize, reclassify, re-categorize or re-designate items reported in the Schedules and SOFAs at a later time either in amendments to the Schedules and SOFAs or in another appropriate filing as necessary or appropriate as additional information becomes available.

**Totals and Undetermined Amounts**

All totals that are included in the Schedules and SOFAs represent totals of all the known amounts included on the Schedules and SOFAs including those marked as contingent, unliquidated or disputed. The description of an amount as "unknown" or "undetermined" is not intended to reflect upon the materiality of such amount.

**Exclusions**

The Debtors have excluded certain categories of assets and liabilities from the Schedules and SOFAs such as: information about customer relationships, accrued liabilities including, but not limited to, accrued salaries and employee benefits; tax accruals; accrued accounts payable; asset retirement obligations and, generally, assets with a net book value of zero. Other non-material assets and liabilities may have also been excluded. Liabilities resulting from accruals or estimates of long term liabilities either are not payable at this time, have not been approved for payment under the Debtors' normal procedures, or have not yet been reported and, therefore, do not represent specific claims as of the Petition Date.

**Foreign Currency**

Unless otherwise indicated, all amounts are reflected in U.S. dollars.

**Current Market Value of Assets**

It would be prohibitively expensive, unduly burdensome and an inefficient use of estate resources for the Debtors to obtain current market valuations of all of their assets. Accordingly, unless otherwise indicated, the Schedules and SOFAs reflect net book values for assets as of June 30, 2015, which net book values reflect impairments to certain assets. Amounts ultimately realized may vary from net book value, and such variance may be material. Bank account cash reported on Schedule B-2 is presented as bank balances as of the Petition Date and excludes cash held by non-Debtor subsidiaries and affiliates. No values are presented for certain other assets such as investments in subsidiaries and other intangible assets because the book values may materially differ from fair market values. Thus, unless otherwise noted, the Schedules and Statements reflect the carrying value of the assets as recorded on the Debtors' books as of June 30, 2015 and are not based upon any estimate of their current market value.

**Intercompany Accounts**

Prior to the Petition Date, the Debtors routinely engaged in intercompany transactions resulting in intercompany account balances. The intercompany account balances, if any, that are reflected on the Debtors' book and records, are set forth in the respective Debtor's Schedule B16 and Schedule F. The listing of these amounts is not and shall not be construed as an admission of the characterization of such balance, as debt, equity or otherwise, and is not necessarily indicative of the ultimate recovery, if any, on any intercompany account receivable or the impairment or claim status of any intercompany account payable. The Debtors reserve all rights to re-characterize, reprioritize, reclassify, re-categorize or re-designate intercompany accounts reported in the Schedules and SOFAs.

**Accounts Receivable**

For confidentiality reasons, the Debtors have not listed individual customer accounts receivable information. Accounts receivable information for each Debtor has been listed net of reserves as of June 30, 2015.

**Inventories; Property and Equipment**

Inventories consist of materials and supplies and coal inventory. These inventories are valued at the lower of average cost or market value. Coal inventory costs include labor, supplies, equipment, operating overhead and other related costs. Property, plant, equipment and mine development are recorded at cost or at fair value at the date of acquisition in the case of acquired businesses, and are presented net of accumulated depreciation. All inventories, as well as all property and equipment, are presented without consideration of any statutory or consensual liens.

**Coal and Coalbed Methane Gas Reserves**

As of December 31, 2014, the Debtors control an estimated 243.8 million metric tons of proven and probable coal reserves located primarily in Alabama and the Appalachia Basin coal regions. The aggregate book value of owned and leased coal reserves is \$134.0 million as of June 30, 2015. The aggregate book value of owned and leased coalbed methane gas reserves was \$118.4 million as of July 31, 2015. The Debtors have not analyzed the current market value of their coal or coalbed methane gas reserves. Costs to obtain coal reserves and lease mineral rights are capitalized based on the fair value at acquisition; therefore, only acquired coal reserves and lease mineral rights have a book value. Lease agreements are generally long-term in nature (original terms range from 10 to 50 years) and substantially all of the Debtors' mineral leases contain provisions that allow automatic extension of the lease term provided certain requirements are met.

As discussed further below in the Section titled "Schedule A – Real Property", the Debtors have reported the book value of their respective reserves on Schedule A. Any unexpired coal and coalbed methane gas reserve leases of the Debtors as of the Petition Date are included in Schedule G and to the extent that there was an amount outstanding under a coal or coalbed methane gas reserve lease as of the Petition Date, the amount owed to the lessor has been listed on Schedule F.

**Other Leases**

The Debtors lease equipment under various operating lease agreements. These operating leases are carried by the Debtors at a zero book value. These equipment and facilities leases are reported on Schedule G of each applicable Debtor, and to the extent that there was an amount outstanding under any of these leases as of the Petition Date, the amount owed to the applicable lessor has been listed on Schedule F of each applicable Debtor. The Debtors have not reported in the Schedules any

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future obligation under any capital or operating lease.

**Contingent Assets**

The Debtors believe that they may possess certain claims, counterclaims and causes of action against various parties. Additionally, the Debtors may possess contingent claims in the form of avoidance actions they could commence under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws, which are not listed as assets in their Schedules and SOFAs. The Debtors reserve all of their rights with respect to any claims, counterclaims and causes of action, whether arising under the Bankruptcy Code or otherwise, that they may have or will have, and nothing contained in these Global Notes or the Schedules and SOFAs shall be deemed a waiver of any such claims, counterclaims, avoidance actions or causes of action or in any way prejudice or impair the assertion of such claims. The Debtors may also possess contingent and unliquidated claims against affiliated entities for various financial accommodations and similar benefits they have extended from time to time, including contingent and unliquidated claims for contribution, reimbursement and/or indemnification. The Debtors reserve their rights to supplement the Schedules and SOFAs for these items at a later date.

Additionally, prior to the Petition Date, certain of the Debtors may have commenced lawsuits in the ordinary course of its business against third parties seeking monetary damages. With respect to any such lawsuits commenced prior to the Petition Date by any of the Debtors, such lawsuits are referenced in Item 4(a) of the pertinent Debtor's SOFA.

**Guaranties and Other Secondary Liability Claims**

The Debtors have made reasonable efforts to locate and identify guaranties and other secondary liability claims (collectively, the "Guaranties") in each of the executory contracts, unexpired leases, secured financings, debt instruments and other such agreements to which any Debtor is a party. Where Guaranties have been identified, they have been included in the relevant Schedules for the Debtor or Debtors affected by such Guaranties. The Debtors have placed the Guaranties on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Guaranties were additionally placed on Schedule D or F for each guarantor, except to the extent they are associated with obligations under an executory contract or unexpired lease identified on Schedule G. It is possible that certain Guaranties embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements may have been inadvertently omitted. The Debtors reserve their rights to amend the Schedules to the extent additional Guaranties are identified or such Guaranties are discovered to have expired or be unenforceable. In addition, the Debtors reserve the right to amend the Schedules and SOFAs and to re-characterize or reclassify any such contract or claim, whether by amending the Schedules and SOFAs or in another appropriate filing. Additionally, failure to list any Guaranties in the Schedules and SOFAs, including in any future amendments to the Schedules and SOFAs, shall not affect the enforceability of any Guaranties not listed.

**Classifications**

Listing a claim (i) on Schedule D as "secured," (ii) on Schedule E as "unsecured priority" or (iii) on Schedule F as "unsecured nonpriority," or listing on Schedule G a contract as "executory" or a lease as "unexpired," does not constitute an admission by a Debtor of the legal rights of the claimant or a waiver of any of Debtors' right to re-characterize or reclassify such claim, contract, or lease. The Debtors reserve the right to amend the Schedules and SOFAs and to re-characterize or reclassify any such contract, lease or claim whether by amending the Schedules and SOFAs or in another appropriate filing.

**Interest in Subsidiaries and Affiliates**

Interests of each Debtor in its subsidiaries arise from the ownership of stock, partnership interests or membership interests, as applicable. The capital structure of Walter and its subsidiaries (including Debtor and non-Debtor entities) as of July 15, 2015 is set forth in a diagram attached to Schedule B13 for each Debtor.

**Intellectual Property Rights**

The omission or exclusion of any intellectual property rights of the Debtors in the Schedules or the SOFAs shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, or assigned, or have expired by their own terms, or have otherwise been transferred pursuant to a sale, acquisition, or other transaction.

**Prepetition Capital Structure**

As of the Petition Date, Walter's principal funded debt obligations comprised (a) a first lien credit facility consisting of a \$978.2 million of term loan B and a \$76.9 million revolving line of credit under which the Debtors have issued letters of credit, (b) \$970.0 million of 9.5% Senior Secured First Lien Notes due October 15, 2019, (c) \$360.5 million of 11.0%/12.0% Senior Secured Second Lien PIK Toggle Notes due 2020, (d) \$388 million of 9.875% Senior Notes due 2020, and (e) \$383.3 million of 8.5% Senior Notes due 2021 (collectively, the "Prepetition Credit Facilities"). Substantially all of the other Debtors guarantee Walter's obligations under the Prepetition Credit Facilities.

**Disputed, Contingent, and/or Unliquidated Claims**

Schedules D, E and F permit each of the Debtors to designate a claim as "disputed," "contingent" and/or "unliquidated." Any failure to designate a claim on the Debtors' Schedules as "disputed," "contingent" and/or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent" and/or "unliquidated" or that such claim is not subject to objection. The Debtors reserve the right to dispute, or assert offsets or defenses to, any claim reflected on these Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as "disputed," "contingent" and/or "unliquidated," whether by amending the Schedules and SOFAs or in another appropriate filing. Listing a claim does not constitute an admission by the Debtors of the claimant's legal rights or a waiver of the Debtors' right to re-characterize or reclassify the claim, contract or lease. Additionally, the Debtors reserve their rights to object to any listed claims on the grounds that, among other things, they have already been satisfied.

**Claims of Third-Party Related Entities**

Although the Debtors have made every effort to properly classify each claim listed in the Schedules as being either disputed or undisputed, liquidated or unliquidated and contingent or noncontingent, the Debtors have not been able to fully reconcile all payments made to certain third parties and their related entities on account of the Debtors' obligations to both such entity and its affiliates. Therefore, to the extent that the Debtors have classified their estimate of claims of a creditor as disputed, unliquidated and/or contingent, all claims of such creditor's affiliates listed in the Schedules and SOFAs shall similarly be considered as disputed, whether or not they are designated as such.

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**Effect of Payments Made Pursuant to "First Day" Orders on Scheduled Claim Amount**

The Bankruptcy Court has authorized the Debtors, pursuant to several "first day" orders, to pay certain prepetition claims including certain payments to employees, critical vendors, foreign vendors, lien holders and taxing authorities. Where the Schedules list creditors that have received payments pursuant to these first day orders, the amounts scheduled for such creditors reflect amounts owed to those creditors as of the Petition Date, adjusted for any post-petition payments made on account of such claims pursuant to the authority granted to the Debtors by the Bankruptcy Court in the first day orders. Thus, Schedule F generally, and to the extent possible, does not include prepetition liabilities that have been paid under these first day orders. However, the estimate of claims set forth in the Schedules may not reflect assertions by the Debtors' creditors of a right to have such claims paid or reclassified under the Bankruptcy Code or orders of the Bankruptcy Court.

**Pension and Postretirement Benefits for Active and Retired Employees**

The Debtors have various defined benefit pension plans covering certain U.S. salaried employees and eligible hourly employees. In addition, to its own pension plans, the Debtors contribute to a multi-employer defined benefit pension plan covering eligible employees who are represented by the United Mine Workers of America ("UMWA"). The Debtors fund retirement and employee benefit plans in accordance with the requirements of the plans and, where applicable, in amounts sufficient to satisfy the "Minimum Funding Standards" of the Employee Retirement Income Security Act of 1974 ("ERISA"). The plans provide benefits based on years of service and compensation or at stated amounts for each year of service.

The Debtors also provide certain postretirement benefits other than pensions, primarily healthcare, to eligible retirees. The Debtors postretirement plans are not funded. New salaried employees have been ineligible to participate in postretirement healthcare benefits since May 2000. As of December 31, 2014, all of the Debtors pension plans had obligations that exceed plan assets.

**Pension Plans**

The Debtors have various defined benefit pension plans covering certain of its U.S. salaried employees and eligible hourly employees. As of December 31, 2014, the estimated pension plans' aggregate projected benefit obligation had a present value of approximately \$316.5 million, and the fair value of plan assets was approximately \$244.6 million for an unfunded obligation of approximately \$71.9 million.

**Retired Employees**

Certain of the Debtors' potential liabilities as of the Petition Date represent the estimated cost of providing retiree healthcare benefits to current represented and non-represented retirees and active employees who will retire in the future (and certain of their qualified dependents) that, as of the filing of the Schedules and SOFAs were contingent, disputed and unliquidated. Specifically, based upon the most recent actuarial valuation, as reported in Walter's Annual Report on Form 10-K for the year ended December 31, 2014, (the "**Form 10-K**"), the consolidated Debtors' accumulated postretirement benefit obligations were valued at approximately \$598.4 million.

In addition, certain of the Debtors are obligated by the Coal Industry Retiree Health Benefit Act of 1992 to contribute to the UMWA Combined Benefit Fund and to the 1992 Benefit Plan (together, the "**Combined Funds**"), which provides health and death benefits to a closed group of retirees and their qualifying dependents. Although the Debtors are required to make contributions to these plans, because these are multi-employer plans, the Debtors do not record liabilities with respect to these plans on their financial statements. The Debtors contributions to these funds for the years ended December 31, 2014, 2013 and 2012 were insignificant.

Consistent with the treatment of the Debtors' collective bargaining agreements described below, the postretirement benefit obligations are broken out among the applicable Debtors and have been listed on their respective Schedule Fs at undetermined individual amounts for the retiree healthcare benefit obligations and in the aggregate for the Combined Funds. The Debtors have made no attempt to disaggregate such liabilities on an individual-by-individual basis for purposes of Schedule F, except with regard to its non-represented plan.

Pursuant to the National Bituminous Coal Wage Agreement of 2011 (the "**NBCWA**") and similar UMWA collective bargaining agreements (as described under "**Collective Bargaining Agreements**"), Jim Walter Resources ("JWR") is required to make contributions to multi-employer pension and healthcare arrangements. Specifically, JWR is required to make contributions to the UMWA 1974 Pension Plan (the "**1974 Pension Plan**"), a multiemployer pension plan.

In 2014, JWR's annual contribution to the 1974 Pension Plan was approximately \$17.8 million. The NBCWA also requires signatory employers to contribute to the 2012 Retiree Bonus Account Trust, the UMWA 1993 Benefit Plan and the UMWA Cash Deferred Savings Plan. Although JWR is required to make contributions to these plans, because these are multi-employer plans, liabilities with respect to these plans are not recorded on JWR's financial statements.

JWR's total contributions to the UMWA 1993 Benefit Plan and UMWA 2012 Retiree Bonus Account Trust in 2014 was approximately \$3.6 million and \$5.1 million, respectively. These plans are listed on Schedule F as undetermined individual amounts and Schedule G of the applicable Debtor entity, and the Debtors have made no attempt to disaggregate such obligations on an individual-by-individual basis for purposes of Schedule F.

**Collective Bargaining Agreements**

The NBCWA was negotiated by the UMWA and the Bituminous Coal Operators' Association (the "**BCOA**"). In addition, although Walter's unionized subsidiaries are not members of the BCOA, the UMWA has historically requested that all unionized coal companies sign a "Me-Too" agreement that binds these companies to the terms of the existing NBCWA. JWR is signatory to a collective bargaining agreement with the UMWA that modifies the NBCWA with respect to its operations and such agreement is listed on its Schedule G. Although the hourly employees of Debtor Taft Coal Company are represented by the UMWA, that company has not been, and is not presently, signatory to a contract with the UMWA, and it has no post retirement obligations to its represented employees.

Debtor Walter Coke is signatory to a labor agreement with the United Steelworkers. That agreement does not require participation in or contributions to any multi-employer plans. However, it does require the provision of healthcare benefits to certain former, retired employees.

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**Union Grievances, Workers' Compensation Claims and Other Employment-Related Actions and Charges**

The Debtors are subject to the Federal Coal Mine Health and Safety Act of 1969 (the "**Coal Act**"), as later amended by the Federal Mine Safety and Health Act of 1977, 30 U.S.C. § 901 *et seq.* (collectively, as amended, the "**Black Lung Benefits Act**"), and other workers' compensation laws in the states in which they operate. Under the Black Lung Benefits Act, such Debtors are required to provide benefits to their current and former coal miners (and certain of their qualified dependents) suffering from coal workers' pneumoconiosis, an occupational disease often referred to as black lung disease. The Debtors estimate that, as of December 31, 2014, their liabilities for claims arising under the Black Lung Benefits Act (collectively, "**Black Lung Claims**") total approximately \$21.8 million. The Debtors further estimate that, as of December 31, 2014, workers' compensation liabilities total approximately \$43.6 million. Separately, the Debtors have posted approximately \$25.4 million in letters of credit, cash and/or bonds to secure their liabilities with respect to state traumatic and workers' compensation. The Debtors received authority from the Bankruptcy Court to pay all valid workers' compensation obligations and Black Lung Claims. Thus, the Debtors have not reflected on their Schedules any liabilities related to worker's compensation claims or Black Lung Claims. Additionally, the Debtors have omitted from their responses to SOFA Item 4(a) the names and addresses of persons that have asserted certain Black Lung Claims that are not public and, thus, are or may be confidential.

The Debtors have excluded listing individual employee union grievances in the Schedules and SOFAs. In addition, other employment-related actions and charges are excluded from the Debtors' SOFAs. All such actions, charges and grievances have been excluded based on both the large volume of such actions, charges and grievances, and the Debtors' belief that the majority of such actions, charges and grievances will generally not result in actual litigation.



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**SPECIFIC DISCLOSURES WITH RESPECT TO THE DEBTORS' SCHEDULES**

**Schedule A - Real Property**

The Debtors may have listed certain assets as real property when such holdings are in fact in the nature of personal property holdings, or the Debtors may have listed certain assets as personal property assets when such holdings are in fact real property holdings. The Debtors reserve all of their rights to re-categorize and/or re-characterize such asset holdings at a later time to the extent the Debtors determine that such holdings were improperly categorized or scheduled.

With respect to any and all interests and any and all contracts, leases, and other agreements listed on or referenced in Schedule A, the Debtors reserve all of their rights, claims, causes of action, and defenses, including their right to dispute or challenge the validity, enforceability, characterization, categorization, or structure of such interests, contracts, leases, and other agreements or any creditor's claim related to such interests, contracts, leases, and other agreements, and to amend or supplement such Schedule.

Mineral interests and/or mineral reserves consist of the Debtors' interests (whether in fee, leasehold, or otherwise) in coal reserves yet to be mined and coalbed methane gas reserves yet to be extracted, in each case as such coal or gas exists unprocessed on or below the earth's surface in their natural state. For purposes of these Schedules, the Debtors have listed these interests and reserves on Schedule A of their respective Schedules, but in doing so take no stance as to whether their mineral interests and reserves should be considered real or personal property. The Debtors reserve all of their respective rights, claims, causes of action, and defenses with respect to such interests and reserve (including the manner in which they are reflected in the Schedules). No party is entitled to rely upon the Debtors' listing of such interests and reserves on Schedule A, nor shall the Debtors be estopped or otherwise precluded from asserting for any reason that such interests and reserves do not constitute interests in real property.

**Schedule B - Personal Property**

With respect to any and all interests listed on or referenced in Schedule B, the Debtors reserve all of their rights, claims, causes of action, and defenses, including their right to amend the values attributed to the assets recorded on Schedule B. Each category of fixed assets is presented net of depreciation amounts and known impairments.

As stated above, due to the volume of Debtors' real and personal property holdings, the Debtors may have scheduled certain assets as real property assets when such assets may constitute personal property, or the Debtors may have listed personal property assets when such holdings are in fact real property.

- a. Schedule B-2. Cash is presented at bank balances as of the Petition Date by each bank account. All zero-balance accounts are reported at zero dollars and the related concentration account is reported as a bank balance as of the Petition Date.
- b. Schedule B-13. The attached chart reflects the capital structure as it existed at the end of each of the six years preceding the Petition Date, with major corporate changes presented on an annual basis. The entity organization structures are reflected based on the Debtors' best knowledge. The Debtors reserve the right to amend their Schedules and Statements to correct errors in the reported capital structure of the Debtors if errors are discovered.
- c. Schedule B-16. Accounts receivable are reported net of the allowance for doubtful accounts. Included in accounts receivable are trade accounts receivable, tax receivables and amounts owed to the Debtors from vendors.
- d. Schedule B-24. Specific information has not been provided due to confidentiality concerns.

**Schedule D - Creditors Holding Secured Claims**

Except as otherwise agreed pursuant to a stipulation, agreed order or general order entered by the Bankruptcy Court, the Debtors reserve their right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D of any Debtor. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims, the Debtors reserve their right to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including any intercompany agreement) related to such creditor's claim.

In certain circumstances, a Debtor may be a co-obligor or guarantor with respect to the scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided on Schedule D are intended only as a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in Schedule D and/or the Global Notes shall be deemed a modification or interpretation of the terms of such agreements.

The Debtors have included on Schedule D certain claims which are secured by letters of credit issued by one or more banks on the Debtors' behalf. The Debtors have also included on Schedule D the claims of the banks that have issued such letters of credit on the Debtors' behalf and that may seek reimbursement from the Debtors in the event that any draws are made against such letters of credit. The claims of both the letter of credit beneficiaries and the issuing banks are scheduled as contingent and unliquidated on Schedule D. To avoid duplication of the Debtors' exposure with respect to such letters of credit, the Debtors have prepared Schedule D to reflect the amounts of each of the outstanding letters of credit issued on the Debtors' behalf only in connection with the scheduled claims of the letter of credit beneficiaries and have not included such letter of credit amounts in the corresponding reimbursement claims of the banks that issued such letters of credit.

Except as specifically stated herein, real property lessors, utility companies and other parties that may hold security deposits have not been listed on Schedule D. The Debtors reserve all of their rights, claims and causes of action with respect to claims associated with any contracts and agreements listed on Schedule D or Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument related to a creditor's claim. Nothing herein shall be construed as an admission by the Debtors of the legal rights of the claimant or a waiver of the Debtors' right to re-characterize or reclassify such claim or contract. The Debtors have only listed the administrative agent or indenture trustee, as applicable, rather than the individual holders of any bank facility described

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**Walter Home Improvement, Inc.**

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**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER REGARDING  
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in Schedule D and have listed amounts owed as of the Petition Date.

**Schedule E - Creditors Holding Unsecured Priority Claims**

All claims listed on the Debtors' Schedule E are claims owed to various taxing authorities or to directors or former employees of the Debtors. Certain of the tax claims may be subject to on-going audits, and the Debtors are otherwise unable to determine with certainty the amount of many, if not all, of the remaining claims listed on Schedule E. Therefore, the Debtors have listed all such claims as undetermined in amount, pending final resolution of on-going audits or outstanding issues. In addition, there may be other numerous contingent, unliquidated claims from state taxing authorities, not all of which are listed. The Debtors reserve the right to liquidate and pay prepetition tax claims as outlined in the Debtors' *Motion for an Order Authorizing the Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees.*

The Debtors believe that all of their current employee claims entitled to priority under the Bankruptcy Code were paid or are being paid pursuant to the "*Order Authorizing, but not Directing, the Debtors to Pay Certain Prepetition Wages, Compensation, Workers Compensation and Employee Benefits and to Maintain Employee Benefit Programs and Pay Related Administrative Obligations*", docket number 61 entered by the Court on July 15, 2015.. As such, as of the Petition Date, the Debtors have not listed any unsecured priority amounts related to current employees. Certain directors and former employees are entitled to unsecured priority status on a portion of their unpaid compensation, which has been included on Schedule E. Individual addresses have been withheld for the privacy.

**Schedule F - Creditors Holding Unsecured Non-Priority Claims**

The Debtors have made a reasonable effort to report all general unsecured claims against the Debtors on Schedule F based upon the Debtors' books and records. The claims of individual creditors for among other things, products, goods or services are listed as either the lower of the amounts invoiced by the creditor or the amounts entered on the Debtors' books and records and may not reflect credits or allowances due from such creditors to the Debtors. The Debtors reserve all rights with respect to any such credits and allowances including the right to assert claims objections and/or setoffs.

Schedule F contains information regarding pending litigation involving the Debtors. In certain instances, the Debtor that is subject of the litigation is uncertain or undetermined. Where the named defendant is "Walter" plus "et al.," the Debtors listed such claim on Schedule F of Walter. However, to the extent that litigation involving a particular Debtor has been identified, information regarding that litigation is contained in Schedule F for that Debtor.

Schedule F may include information as it pertains to potential customer true-ups and reconciliations. The Debtors expect to pay all undisputed customer true-ups and reconciliations under the authority granted in the Debtors' first day motions.

Schedule F does not include rejection damage claims of the counterparties to executory contracts and unexpired leases that may be rejected.

The Debtors have only listed the indenture trustee rather than the individual holders of any unsecured notes described in Schedule F and have listed amounts owed as of the Petition Date.

**Schedule G - Unexpired Leases and Executory Contracts**

The businesses of the Debtors are complex. Although the Debtors' existing books, records, financial systems and contracts management systems have been relied upon to identify and schedule executory contracts for each of the Debtors and reasonable efforts have been made to ensure the accuracy of the Schedule G, inadvertent errors, omissions, or overinclusion may have occurred. The contracts, agreements and leases listed on Schedule G may have expired or may have been modified, amended or supplemented from time to time by various amendments, restatements, waivers, estoppels, certificates, letters, memoranda and other documents, instruments and agreements that may not be listed on Schedule G, despite the Debtors' use of reasonable efforts to identify such documents. With respect to any and all contracts, leases, and other agreements listed on or referenced in Schedule G, the Debtors reserve all of their rights, claims, causes of action, and defenses, including their right to dispute or challenge the validity, enforceability, characterization, categorization, or structure of such contracts, leases and other agreements or any creditor's claim related to such contracts, leases and other agreements and to amend or supplement such Schedule.

In some cases, the same supplier or provider appears multiple times on Schedule G. This multiple listing is intended to reflect distinct agreements between the applicable Debtor and such supplier or provider. Due to the volume of the Debtors' portfolio of contracts and leases, all documents entitled "lease" or "contract" have been included on Schedule G. Certain of the contracts listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations are not separately set forth on Schedule G. Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings. The presence of a contract or lease on Schedule G does not constitute an admission that such contract or lease is an executory contract or unexpired lease, nor does the omission of a contract or lease; conversely, the omission of any contract or lease from Schedule G does not constitute an admission that such contract or lease is not an executory contract or unexpired lease.

The Debtors have included certain interests in real property such as easements, rights of way and other similar interests on Schedule G. The listing of such real property interests on Schedule G as "executory" does not constitute an admission by a Debtor that any such contract is executory. The Debtors reserve all rights to re-categorize and/or re-characterize their interests in such real property at a later date, as necessary.

The Debtors are continuing their review of all relevant documents and expressly reserve their right to amend all Schedules at a later time as necessary and/or to challenge the classification of any agreement as an executory contract or unexpired lease in any appropriate filing. The Debtors further reserve all of their rights, claims, and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument related to a creditor's claim.

In addition, the Debtors may have entered into various other types of agreements in the ordinary course of business, such as subordination, non-disturbance and attornment agreements, supplemental agreements, amendments/letter agreements, title agreements and confidentiality agreements. Such documents may not be set forth on Schedule G. Certain of the contracts, agreements and leases listed on Schedule G may have been entered into by more than one of the Debtors. Further, the specific Debtor obligor to certain of the executory contracts could not be specifically ascertained in every circumstance. In such cases, the Debtors made their best



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efforts to determine the correct Debtors' Schedule G on which to list such executory contract or unexpired lease.

Certain of the executory contracts may not have been memorialized and could be subject to dispute. Each unexpired lease listed in Schedule G may include one or more ancillary documents, including but not limited to any underlying assignment and assumption agreements, amendments, supplements, full and partial assignments, renewals and partial releases. Executory contracts that are oral in nature, if any, have not been included on Schedule G. Schedule G does not constitute an admission that any such contract or agreement is an executory contract or unexpired lease. The Debtors reserve all of their rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument.

The Debtors may be party to certain agreements that are confidential in nature, even as to their very existence between the contract counterparties. These types of agreements include certain employment agreements containing severance clauses and confidentiality and non-disclosure agreements. Due to the confidential nature of these agreements, and in order to best protect the Debtors' business interests and the value of their estates, the Debtors have not listed any such confidential agreements on Schedule G. The Debtors have taken the necessary and prudent steps to identify these agreements to the extent possible and can provide details as to those agreements should circumstances warrant such disclosure and appropriate conditions be placed upon such disclosure. The Debtors reserve all of their rights with respect to such agreements.

Certain of the contracts and leases listed on Schedule G may consist of several parts, including purchase orders, amendments, restatements, renewals, waivers, letters, and other documents that may not be listed on Schedule G or that may be listed as a single entry thereon. The Debtors expressly reserve their right to challenge whether such related documents and materials constitute one integrated executory contract or unexpired lease, or multiple, severable, or separate agreements.

**Schedule H - Co-Debtors**

Schedule H reflects Guaranties by various Debtors of obligations of related affiliates. The Debtors may not have identified certain Guaranties that are embedded in the Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. Certain of the Guaranties reflected on Schedule H may have expired or no longer be enforceable. Thus, the Debtors reserve their rights to amend the Schedules to the extent that additional Guaranties are identified or such Guaranties are discovered to have expired or are unenforceable, or to contest the validity or enforceability of the Guaranties in another filing.

In the ordinary course of their business, the Debtors are involved in pending or threatened litigation and claims arising out of certain ordinary business transactions. These matters may involve multiple plaintiffs and defendants, some or all of whom may assert cross claims and counter-claims against other parties. Due to the volume of such claims, and because all such claims are contingent, disputed, and unliquidated, and listed elsewhere in the Schedules and SOFAs, such claims have not been set forth individually on Schedule H.

**SPECIFIC DISCLOSURES WITH RESPECT TO THE DEBTORS' SOFAS**

**SOFAs Item 1 and 2 – Income and Other Income**

The amounts set forth in SOFA Item 1 and SOFA Item 2 are presented on a consolidated basis and include the results of certain non-Debtor subsidiaries and affiliates.

**SOFAs Item 3(b) – 90 Day Payments**

The dates set forth in the "Date of Payment" column relate to one of the following: (a) the date of a wire transfer; (b) the date of an "ACH" payment; or (c) the check date. In general, disbursements are recorded to the proper entity with the liability through journal entries.

**SOFAs Item 3(c) – Payments to Insiders**

Payments made within one year of the Petition Date by any Debtor to its insiders are listed on Walter's SOFA Item 3(c). All other Debtors reference Walter's SOFA Item 3(c). For purposes of SOFA Item 3(c), the Debtors defined insiders as (i) Officers, defined as current and former executive employees holding the title of Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, General Counsel and President, (ii) directors, (iii) beneficial stockholders that own 5% or more of the stock of any Debtor and (iv) affiliates. The Debtors have not included any ordinary course intercompany balances or transfers in this section.

During the year ended December 31, 2014, the Debtors declared and paid dividends of \$0.01 per share to shareholders of record on each of February 20, May 12, August 11 and November 10. The dividends received by insiders during the period are not considered to be material and has been excluded from SOFA Item 3(c).

Persons listed as "insiders" have been included for informational purposes only and by including them in the Schedules, shall not constitute an admission that those persons are insiders for purposes of section 101(31) of the Bankruptcy Code. Moreover, the Debtors do not take any position with respect to: (a) any insider's influence over the control of the Debtors; (b) the management responsibilities or functions of any such insider; (c) the decision making or corporate authority of any such insider, or (d) whether the Debtors or any such insider could successfully argue that he or she is not an "insider" under applicable law with respect to any theories of liability or for any other purpose.

**SOFA 4(b) – Garnishments and Attachments**

In the ordinary course of business, the Debtors are obligated to withhold amounts from the paychecks of various regular employees in connection with garnishment orders or other state law withholding orders. The Debtors believe that these amounts do not constitute property of the estate and, accordingly, are not responsive to this question. Moreover, out of concern for the confidentiality of the Debtors' employees, the Debtors have not listed any such garnishments in response to this question.

**SOFAs Item 7 - Gifts**

Although the Debtors have made reasonable efforts to ensure that the gifts listed in response to Item 7 include all gifts made, given the magnitude of the Debtors' operations, certain gifts may have inadvertently been omitted from the SOFAs.

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

**Walter Home Improvement, Inc.**

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**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER REGARDING  
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**SOFA Item 10(a) – Other Transfers**

The Debtors routinely dispose of excess and obsolete equipment. The Debtors also periodically sell land that is no longer needed for the operation of the business. The Debtors consider such transfers within the ordinary course of business and have not reported such transactions in this SOFA Item 10(a).

**SOFAs Item 13 – Set-Offs**

The Debtors routinely incur set-offs during the ordinary course of business. Set-offs in the ordinary course can result from various items including intercompany transactions, counterparty settlements, pricing discrepancies, pricing adjustments, rebates, returns, warranties and other transaction true-ups. These normal set-offs are consistent with the ordinary course of business in the Debtors' industry and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list all normal set-offs. Therefore, normal set-offs are excluded from the Debtors' responses to Item 13 of the SOFAs.

**SOFAs Item 14 - Property Held for Another Person**

In the ordinary course of business, the Debtors enter into consignment agreements (the "**Consignment Agreements**") with some of their vendors. Under the Consignment Agreements, the Debtors take possession but not title to various materials and supplies, including parts and components of various mining and mining-related equipment (the "**Consigned Assets**"). Title to the Consigned Assets does not transfer to the Debtors and the Debtors are not obligated to pay for the Consigned Assets until the Consigned Assets are placed in service.

In the ordinary course of business, the Debtors hold unclaimed property. Unclaimed property relates in part to unclaimed or abandoned funds due to another party such as vendor payments, royalty checks or payroll checks. The Debtors hold these funds and escheat them to the appropriate authority within the statutory time frame.

**SOFAs Item 17 - Environmental Information**

The Debtors have operated in many locations. At some locations, the Debtors no longer have any operations and may no longer have relevant records or the records may no longer be complete or reasonably accessible or reviewable. Some individuals who once possessed responsive information are no longer employed by the Debtors. For all these reasons, it may not be possible to identify and supply the requested information for every "site" and "proceeding" literally responsive to Item 17. The Debtors have devoted substantial internal and external resources to identifying and providing the requested information for as many responsive sites and proceedings as reasonably possible.

The Debtors may supplement or amend this response in the future. Due to the number of potentially responsive matters, the practical burdens in compiling information on inactive matters and the presumably lower relevance of information on inactive matters, information is presented only for matters that have been active within the last few years and that the Debtors do not consider to be closed. When some requested categories of information were not reasonably available for a listed "site" or "proceeding," the Debtors' response gives as much information as was reasonably available. When a site is the subject of a proceeding, settlement or order listed in the response to Item 17(c), the site and notices related to it are not also listed in the responses to Item 17(a) or 17(b). Similarly, sites that are listed in the response to Item 17(a) (sites for which the Debtors have received notice from a governmental unit) are not repeated in response to Item 17(b) (sites for which the Debtors have provided notice to a governmental unit).

To avoid duplication, notices are not listed to the extent they refer to another notice or proceeding already identified in 17(a), (b) or (c). This response does not include sites or proceedings related to non-environmental laws such as occupational and mining safety and health laws or transportation laws. The Debtors make routine reports and submissions concerning discharges resulting from normal operations consistent with regulatory requirements, such as discharge monitoring reports, toxic release inventory submissions and submissions concerning air emissions. This response is limited to those reports and submissions that identify releases of hazardous materials where notice to a governmental agency was required and does not purport to identify all routine reports and submissions.

**SOFAs Item 18 - Capital Structure**

The diagrams attached in response to Walter's SOFA Item 18 reflect the capital structure of Walter and its subsidiaries as it existed at the end of each of the last six years. SOFA Item 18 of all other Debtors references Walter's SOFA Item 18.

**SOFAs Item 19(b) – Auditors**

The consolidated books of account and records of Walter and its subsidiaries have been and continue to be audited by Ernst & Young LLP.

**NAME AND ADDRESS DATES SERVICES RENDERED**

Ernst & Young LLP  
1901 6th Avenue, N. Suite 1200  
Birmingham, AL  
January 2007 to Present

**SOFAs Item 19(d) - Books, Records and Financial Statements**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, Walter and its subsidiaries have filed with the SEC reports on Form 8-K, Form 10-Q, and Form 10-K. These SEC filings contain consolidated financial information. Additionally, consolidated financial information is posted on Walter's website at [www.walterenergy.com](http://www.walterenergy.com). Because the SEC filings and the website are of public record, Walter does not maintain records of the parties that requested or obtained copies of any of the SEC filings from the SEC or Walter. In addition, Walter provides certain parties, such as banks, auditors, potential investors, vendors and financial advisors financial statements that may not be part of a public filing. Walter does not maintain complete lists to track such disclosures. As such, Walter has not provided lists of these parties in response to this question.

**STATEMENT OF FINANCIAL AFFAIRS**  
**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF ALABAMA**

**Chapter 11**

**In re: Walter Home Improvement, Inc.**  
Debtor.

**Case Number: 2760-TOM-11**

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This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

**DEFINITIONS**

*"In business."* A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

*"Insider."* The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

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**1. Income from employment or operation of business**

None  State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**See Attachment 1 to the Statement of Financial Affairs**

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**2. Income other than from employment or operation of business**

None  State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two year** immediately preceding the commencement of this case. Give particular If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed).

**See Attachment 2 to the Statement of Financial Affairs**

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**3. Payments to Creditors**

*Complete a. or b., as appropriate, and c.*

None  *a. Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  *b. Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225. If the debtor is an individual, indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  *c. All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**See Attachment 3c to the Statement of Financial Affairs**

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**4. Suits, executions, garnishments, and attachments**

None  *a.* List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

None  *b.* Describe all property that has been attached, garnished, or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**5. Repossessions, foreclosures, and returns**

None  
 List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**6. Assignments and receiverships**

None  
 a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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None  
 b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**7. Gifts**

None  
 List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**8. Losses**

None  
 List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**9. Payments related to debt counseling or bankruptcy**

None  
 List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, or consultation concerning debt consolidation, relief under the bankruptcy laws, preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

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**10. Other transfers**

None  
 List all other property, other than property transferred in the ordinary course of the business or financial affairs of the Debtor transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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None  
 b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

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**11. Closed financial accounts**

None  
 List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**12. Safe deposit boxes**

None  
 List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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**13. Setoffs**

None  
 List all setoffs made by any creditor, including a bank, against debts or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

**The Debtor routinely incurs setoffs with related entities and some third parties during the ordinary course of business. Setoffs in the ordinary course can result from various items, including setoffs of mutual prepetition obligations between a Debtor and a counterparty (a) that have been consented to by a Debtor in the ordinary course of business as part of a periodic reconciliation of accounts between them (and that did not involve cross-affiliate or triangular setoffs) and (b) as to which the counterparty has paid in full all amounts due to the Debtor relating to such accounts. These normal setoffs are consistent with the ordinary course of business in the Debtor's industry and can be particularly voluminous, making it unduly burdensome and costly for the Debtor to list all such normal setoffs. Therefore, such normal setoffs are excluded from the Debtor's responses to Question 13.**

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**14. Property held for another person**

None  
 List all property owned by another person that the debtor holds or controls.

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**15. Prior address of debtor**

None  
 If the debtor has moved within the **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

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**16. Spouses and Former Spouses**

None  
 If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington or Wisconsin) within **eight-years** immediately preceding the commencement of this case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

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**17. Environmental Information**

For the purposes of this questions, the following definitions apply:

"Environmental Law" means any federal, state, of local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

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None  
 a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law.

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None  
 b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

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None  
 c. List all judicial or administrative proceedings, including settlements or order, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

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**18. Nature, location, and names of business**

None  
 a. *If the debtor is an individual,* list the names, addresses and taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was a self-employed professional within the **six-years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting of equity securities within the **six-years** immediately preceding the commencement of this case

*If the debtor is a partnership,* list the names, addresses and taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting securities, within the **six-years** immediately preceding the commencement of this case.

*If the debtor is a corporation,* list the names, addresses and taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting securities, within the **six-years** immediately preceding the commencement of this case.

**The ownership structure chart (including previously held interests) as provided in Schedules B13 and B14 serves as the response to this question.**

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None  
 b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within the **six-years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sold proprietor or otherwise self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within the six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

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**19. Books, records and financial statements**

None

a. List all bookkeepers and accountants who within the **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

**See Attachment 19a to the Statement of Financial Affairs**

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None

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

**See Attachment 19b to the Statement of Financial Affairs**

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None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

**See Attachment 19c to the Statement of Financial Affairs**

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None

d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom a financial statement was issued within the **two years** immediately preceding the commencement of this case by the debtor.

**The Debtors equity stock is publicly traded within the United States and Canada and therefore they are required to follow the disclosure requirements of the Securities Exchange Act of 1934, as amended, as well as similar requirements within Canada. In accordance with these requirements, the Debtors have filed periodic reports with the Securities and Exchange Commission (SEC) within the United States and the System for Electronic Document Analysis and Retrieval (SEDAR) within Canada and as such, in the ordinary course, the Debtors have provided investors, banks and the general public access to their financial statements through the web site of the SEC as well as that of their own at [www.walterenergy.com](http://www.walterenergy.com) where they also post copies of their financial statements. The Debtors do not maintain records of the various interested parties that may have received access to their published financial statements. In addition, in connection with their restructuring efforts, the Debtors provided financial statements and projections to potential lenders and investors in an effort to refinance their debt over the past two years prior to the Debtors filing voluntary petitions with the United States Bankruptcy Court. The Debtors do not keep detail records of recipients of such information and as such, the Debtors have not provided lists of these parties in response to this question.**

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**20. Inventories**

None

a. List the dates of the last two inventories taken of the debtor's property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

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None

b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

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**21. Current Partners, Officers, Directors and Shareholders**

None

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

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None

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent of more of the voting or equity securities of the corporation.

**See Attachment 21b to the Statement of Financial Affairs**

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**22. Former partners, officers, directors, and shareholders.**

None

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

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None

b. If the debtor is a corporation, list all officers, or directors whose relationships with the corporation terminated within **one year** immediately preceding the commencement of this case.

**See Attachment 22b to the Statement of Financial Affairs**

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**23. Withdrawals from a partnership or distributions by a corporation**

None

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

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**24. Tax Consolidation Group**

None

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within the **six-years** immediately preceding the commencement of this case.

**See Attachment 24 to the Statement of Financial Affairs**

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**25. Pension Funds**

None

If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six-years** immediately preceding the commencement of this case.

**See Attachment 25 to the Statement of Financial Affairs**

**Income from employment or operation of business**

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year.

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<u>Source</u>	<u>Amount</u>
12/31/2013 GROSS REVENUES	\$1,836,342,908
12/31/2014 GROSS REVENUES	\$1,374,421,843
YTD 2015 GROSS REVENUES	\$479,480,993

**Income other than from employment or operation of business**

State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the two years immediately preceding the commencement of this case.

<u>Source</u>	<u>Amount</u>
12/31/2013 OTHER INCOME	\$861,805
12/31/2014 OTHER INCOME	\$1,424,043
YTD - 2015 OTHER INCOME	\$0
12/31/2013 GAIN ON EXTINGUISHMENT OF DEBT	\$4,293,000
12/31/2014 GAIN ON EXTINGUISHMENT OF DEBT	\$62,106,250
YTD - 2015 GAIN ON EXTINGUISHMENT OF DEBT	\$59,718,500
12/31/2013 INTEREST INCOME	\$1,103,012
12/31/2014 INTEREST INCOME	\$168,480
YTD - 2015 INTEREST INCOME	\$111,231
12/31/2013 MISCELLANEOUS INCOME	\$24,287,775
12/31/2014 MISCELLANEOUS INCOME	\$32,922,937
YTD - 2015 MISCELLANEOUS INCOME	\$7,738,242

Payments made to insiders within the period from July 15, 2014 to July 14, 2015

Paying Entity	Insider Name	Relationship	Compensation	Severance	Long Term Incentive Plan	Cash Incentive Plan Compensation	Retention Award (4)	Equity Compensation (2)	Company Paid Benefits (3)	Expense Reimbursements
Walter Energy, Inc.	Walter J. Scheller, III	Chief Executive Officer and Director	\$ 826,296	\$ -	\$ 205,000	\$ 917,905	\$ 2,400,000	\$ 32,941	\$ 104,845	\$ 38,754
Walter Energy, Inc.	William G. Harvey	Executive Vice President and Chief Financial Officer	\$ 494,299	\$ -	\$ 67,307	\$ 397,285	\$ 1,300,000	\$ 15,766	\$ 70,780	\$ 4,357
Walter Energy, Inc.	Earl H. Doppelt	Executive Vice President, General Counsel & Secretary	\$ 458,195	\$ -	\$ 56,430	\$ 406,211	\$ 1,100,000	\$ 13,163	\$ 50,071	\$ 7,066
Walter Energy, Inc.	Michael T. Madden	Senior Vice President and Chief Commercial Officer	\$ 404,160	\$ -	\$ 49,728	\$ 287,853	\$ 400,000	\$ 8,395	\$ 28,785	\$ 116,799
Jim Walter Resources, Inc.	Richard A. Donnelly	President, Jim Walter Resources, Inc.	\$ 371,420	\$ -	\$ 43,106	\$ 209,304	\$ 400,000	\$ 6,741	\$ 31,273	\$ 7,126
Walter Energy, Inc.	Daniel P. Cartwright	Former President, Canadian Operations	\$ 131,789	\$ 539,963	\$ -	\$ -	\$ -	\$ 11,838	\$ 15,079	\$ -
Walter Energy, Inc.	Michael T. Tokarz (1)	Chairman of the Board	\$ 41,000	\$ -	\$ -	\$ -	\$ -	\$ 126,380	\$ -	\$ 4,104
Walter Energy, Inc.	Mary R. "Nina" Henderson	Director	\$ 101,500	\$ -	\$ -	\$ -	\$ -	\$ 1,601	\$ -	\$ 3,949
Walter Energy, Inc.	Jerry W. Kolb	Director	\$ 121,500	\$ -	\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 2,416
Walter Energy, Inc.	Patrick A. Kriegshauser	Director	\$ 132,250	\$ -	\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 3,033
Walter Energy, Inc.	Joseph B. Leonard	Director	\$ 97,000	\$ -	\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 8,160
Walter Energy, Inc.	Bernard G. Rethore	Director	\$ 97,500	\$ -	\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 5,936
Walter Energy, Inc.	A.J. Wagner	Director	\$ 107,000	\$ -	\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 5,343
Walter Energy, Inc.	Graham Mascal	Former Director	\$ 75,833	\$ -	\$ -	\$ -	\$ -	\$ 151	\$ -	\$ 12,440

**Notes:**

- 1) Total compensation for Mr. Tokarz consisted of \$41,000 in deferred compensation and \$126,380 credited to his stock equivalent account under the Company's Directors' Deferred Fee Plan.
- 2) Equity compensation consists of compensation received in the form of vested restricted company stock units and options for company stock except for that related to Mr. Tokarz which were credited to his stock equivalent account under the Company's Directors' Deferred Fee Plan.
- 3) Company paid benefits include Executive Deferred Compensation and Supplemental Retirement Plan discretionary company contributions, 401(k) match, company paid benefit premiums and company match on employee stock purchase plan employee purchases.
- 4) Under the terms of the agreements pursuant to which these retention awards were paid, the executive officer is required to repay the full gross amount of the award to the Company if such executive officer's employment by the Company is terminated by the executive officer without good reason (as defined in the agreement) or by the Company for cause (as defined in the agreement) prior to the third anniversary of the effective date of the agreement. The agreement also contains customary non-solicitation, non-disparagement and confidentiality restrictions applicable to the executive officer during and following the individual's employment by the Company.



**Books, records and financial statements**

List all bookkeepers and accountants who within two years immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor

<u>Name And Address</u>	<u>Dates Services Rendered</u>
BRIAN M. CHOPIN 3000 RIVERCHASE GALLERIA SUITE 1700 ACTING CONTROLLER AND CHIEF ACCOUNTING OFFICER HOOVER, AL 35244	MAY 20, 2015 TO PRESENT
WILLIAM G. HARVEY 3000 RIVERCHASE GALLERIA SUITE 1700 EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER HOOVER, AL 35244	JULY 7, 2012 TO PRESENT
ROBERT P. KERLEY 3000 RIVERCHASE GALLERIA SUITE 1700 VICE PRESIDENT, CORPORATE CONTROLLER AND CHIEF ACCOUNTING OFFICER HOOVER, AL 35244	SEPTEMBER 6, 2010 TO MAY 22, 2014
KEVIN HARRIGAN 3000 RIVERCHASE GALLERIA SUITE 1700 VICE PRESIDENT, CORPORATE CONTROLLER AND CHIEF ACCOUNTING OFFICER HOOVER, AL 35244	MAY 12, 2014 TO MAY 20, 2015

**Books, records and financial statements**

List all firms or individuals who within two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor

<u>Name</u>	<u>Address</u>	<u>Dates Services Rendered</u>
EY, LLC	1901 6TH AVE N. STE 1200 BIRMINGHAM, AL 35203	JANUARY 2007 TO PRESENT

**Books, records and financial statements**

List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor.

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<u>Name</u>	<u>Address</u>
BRIAN M. CHOPIN	3000 RIVERCHASE GALLERIA SUITE 1700 ACTING CONTROLLER AND CHIEF ACCOUNTING OFFICER HOOVER, AL 35244
WILLIAM G. HARVEY	3000 RIVERCHASE GALLERIA SUITE 1700 EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER HOOVER, AL 35244

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**Current Partners, Officers, Directors and Shareholders**

If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

<u>Name And Address</u>	<u>Title</u>	<u>Nature And Percentage Of Stock Ownership</u>	
HURLEY, MICHAEL R. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	VICE PRESIDENT - TAX	OFFICER	
HENSLEY, GUY 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	ASSISTANT SECRETARY	OFFICER	
HARVEY, WILLIAM G. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	DIRECTOR	DIRECTOR	
HARVEY, WILLIAM G. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	PRESIDENT	OFFICER	
GRIFFIN, MICHAEL D. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	TREASURER	OFFICER	
DOPPELT, EARL H. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	SECRETARY	OFFICER	
CHOPIN, BRIAN M. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	DIRECTOR	DIRECTOR	
CHOPIN, BRIAN M. 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	CONTROLLER	OFFICER	
JIM WALTER HOMES, LLC 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	SHAREHOLDER	SHAREHOLDER	100.00%

**Specific Notes**

Ownership is estimated as of June 30, 2015.

**Former partners, officers, directors and shareholders**

If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case

<u>Name And Address</u>	<u>Title</u>	<u>Date Of Termination</u>
HARRIGAN, KEVIN 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	CONTROLLER	5/20/2015
HARRIGAN, KEVIN 3000 RIVERCHASE GALLERIA SUITE 1700 BIRMINGHAM, AL 35244	DIRECTOR	5/20/2015

**Tax Consolidation Group**

If the debtor is a corporation, list the name and federal taxpayer-identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within six years immediately preceding the commencement of the case

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**Name Of Parent Corporation**

**Taxpayer-Identification Number (EIN)**

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WALTER ENERGY, INC.

13-3429953

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**Pension Funds**

If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within six years immediately preceding the commencement of the case

<u>Name Of Pension Fund</u>	<u>Taxpayer-Identification Number (EIN)</u>
WALTER COKE, INC. PENSION PLAN FOR EMPLOYEES REPRESENTED BY UNITED STEELWORKERS OF AMERICA AND ITS' LOCAL UNION NO. 12014	13-3429791
UNITED MINE WORKERS OF AMERICA 1974 PENSION TRUST	52-6150908
PENSION PLAN FOR SALARIED EMPLOYEES OF WALTER ENERGY, INC. SUBSIDIARIES, DIVISIONS AND AFFILIATES	13-3429953

**DECLARATION CONCERNING DEBTOR'S STATEMENT OF FINANCIAL AFFAIRS**

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the Authorized Signatory of Walter Home Improvement, Inc., declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto, and that they are true and correct to the best of my knowledge, information and belief.

**Date:** August 28, 2015

**Signature:** /s/ William G. Harvey

William G. Harvey, Chief Financial Officer of Walter Energy, Inc.  
**Name and Title**

*Penalty for making a false statement: Fine of up to \$500,000, or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571*