

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

In re:

WALTER ENERGY, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 15-02741-TOM11

Joint Administration Requested

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

Upon consideration of the motion (the "Motion")² of the Debtors requesting entry of interim and final orders pursuant to sections 105(a), 362, 363 and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) (a) approving the procedures related to transfers of Stock (the "Trading Procedures" or "Procedures"); all as more fully described in the Motion, and (b) granting related relief; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that adequate and proper notice of the Motion has been given and that no other or further notice need

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

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor; it is hereby ORDERED that:

1. The Motion is GRANTED on an INTERIM BASIS to the extent provided herein.
2. The following Trading Procedures, as set forth below, are hereby approved:
 - (a) Notice of Substantial Stock Ownership. Any person or Entity that is a Beneficial Owner, at any time on or after the Motion Date, of Stock in an amount sufficient to qualify such person or Entity as a Substantial Equityholder shall file with the Court, and serve upon the Debtors a Notice of Substantial Stock Ownership (a “Substantial Ownership Notice”) in the form annexed to the Motion as Exhibit C, which describes specifically and in detail the Stock ownership of such person or Entity, on or before the date that is the later of: (a) fifteen (15) business days after the entry of the Interim Order and (b) fifteen (15) business days after that person or Entity qualifies as a Substantial Equityholder. At the holder’s election, the Substantial Ownership Notice to be filed with the Court (but not such notice served upon the Debtors) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns.

- (a) Acquisition of Stock. At least fifteen (15) business days prior to the proposed date of any transfer of Stock (including Options) that would result in an increase in the amount of Stock Beneficially Owned by any person or Entity that currently is or subsequently becomes a Substantial Equityholder or that would result in a person or Entity becoming a Substantial Equityholder (a “Proposed Equity Acquisition Transaction”), such person, Entity or Substantial Equityholder (a “Proposed Equity Transferee”) shall file with the Court and serve upon the Debtors a Notice of Intent to Purchase, Acquire or Obtain Beneficial Ownership of Stock (an “Equity Acquisition Notice”), in the form annexed to the Motion as Exhibit D, which describes specifically and in detail the proposed transaction in which Stock is to be acquired. At the holder’s election, the Equity Acquisition Notice that is filed with the Court (but not such notice served upon the Debtors) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns and proposes to purchase or otherwise acquire.
- (b) Disposition of Stock. At least fifteen (15) business days prior to the proposed date of any transfer of Stock (including Options to acquire such securities) that would result in a decrease in the amount of Stock Beneficially Owned by a Substantial Equityholder or that would result in a person or Entity ceasing to be a Substantial Equityholder (a “Proposed Equity Disposition Transaction,” and together with a Proposed Equity Acquisition Transaction, a “Proposed Equity Transaction”), such person, Entity, or Substantial Equityholder (a “Proposed Equity Transferor”) shall file with the Court and serve upon the Debtors a Notice of Intent to Sell, Exchange or Otherwise Transfer Walter Energy, Inc. Stock (an “Equity Disposition Notice,” and together with an Equity Acquisition Notice, an “Equity Trading Notice”), in the form annexed to the Motion as Exhibit E, which describes specifically and in detail the proposed transaction in which Stock would be transferred. At the holder’s election, the Equity Disposition Notice that is filed with the Court (but not such notice served upon the Debtors) may be redacted to exclude such holder’s taxpayer identification number and the number of shares of Stock that such holder Beneficially Owns and proposes to sell or otherwise transfer.

- (c) Approval Procedures. If written approval of the proposed transaction is filed with the Court by the Debtors within fifteen (15) calendar days following the receipt of an Equity Trading Notice, then the transaction may proceed, but solely as specifically set forth in the applicable Equity Trading Notice. If written approval of the proposed transaction is not filed by the Debtors with the Court within such period, then the transaction may not be consummated unless approved by a final and nonappealable order of the Court, or unless otherwise agreed to by the Debtors. Further transactions within the scope of paragraph 23(d) of the Motion must be the subject of additional notices as set forth herein with additional waiting periods.
- (d) Noncompliance with the Trading Procedures. Effective as of the date hereof and until further order of the Court to the contrary, any trade, acquisition, purchase, sale or other transfer or disposition of any in violation of the Trading Procedures set forth herein shall be null and void *ab initio* as an act in violation of the automatic stay under section 363 of the Bankruptcy Code and the stays approved pursuant to the Court's orders approving these Trading Procedures, and shall confer no rights on the transferee. Any person or Entity acquiring or disposing of any Stock in violation of the Trading Procedures shall be subject to such sanctions as the Court may consider appropriate under sections 105 and 362 of the Bankruptcy Code and the Court's general equitable powers.
- (e) Notice of Interim Order. Within five (5) business days after entry of the Interim Order, the Debtors (i) shall serve notice, by priority mail, postage prepaid, or by electronic mail, in substantially the form attached as Exhibit 1 to the Interim Order (the "Notice of Interim Order"), to the following persons: (A) the Office of the Bankruptcy Administrator for the Northern District of Alabama (the "Bankruptcy Administrator"); (B) counsel to the administrative agent for the Debtors' prepetition secured credit facility; (C) the indenture trustee for each of the Debtors' outstanding bond issuances; (D) counsel to the steering committee of first lien debt holders; (E) the Internal Revenue Service (the "IRS"); (F) the Securities and Exchange Commission (the "SEC"); (G) the directly registered holders of the Stock to the extent known; and (H) the beneficial holders of the Stock via such beneficial holders' banks, brokers, custodians, dealers, and other agents, intermediaries, and nominees (collectively, the "Nominees"); (ii) shall post the Notice of Interim Order together with a copy of the Interim Order on the Debtors' case information website (<http://www.kccllc.net/walterenergy>); and (iii) shall submit the Notice of Interim Order for publication on the Bloomberg newswire service and the Depository Trust Legal Noticing System (LENS).
- (i) Upon receipt of each of Notice of Interim Order, the Nominees will be required, within five (5) business days of receipt of such notice and on at least a quarterly basis thereafter, to send such

notice to all registered or otherwise known holders of any Stock. Any such registered or otherwise known holder, in turn, must, within five (5) business days of receipt of each such notice, provide such notice to any holder for whose account such registered holder holds any Stock, and so on down the chain of ownership.

- (ii) Any entity or broker or agent acting on such entity's behalf that sells in excess of 3,632,136 shares of Stock to another entity must serve a copy of the Notice of Interim Order on such purchaser of such Stock or any broker or agent acting on such purchaser's behalf.
- (iii) The Notice of Interim Order will advise parties-in-interest of their opportunity to file an objection to this Motion (an "Objection") and procedures they must follow to file an Objection, including the deadline by which any Objection must be filed and served. The Stock Trading Notice will also explain that if no Objection is timely filed and served by the Objection Deadline (or if an Objection is timely filed but then withdrawn prior to the Final Hearing (as defined below)), the Court may enter the Final Order without further notice or hearing, and this Motion shall be approved *nunc pro tunc* to the date hereof. If an Objection is timely filed and served in accordance with the requirements set forth in this Interim Order, a final hearing on this Motion (the "Final Hearing") will be held, and the Debtors shall submit to the Court for entry the Final Order.

(f) Confidentiality. Except to the extent information contained in any submission to the Court pursuant to the Trading Procedures set forth herein is public or in connection with an audit or other investigation by the IRS or other taxing authority, the Debtors shall keep all additional information provided in connection with these Trading Procedures strictly confidential; provided, however, that the Debtors may disclose the information to their counsel and professional advisors and those of any other person(s) that are subject to a nondisclosure agreement with the Debtors (as applicable), each of whom shall keep all such notices strictly confidential. To the extent non-public information is requested in these Trading Procedures or requests for information related thereto, all non-public information may be redacted from any filing made with the Court.

(g) Cooperation. Any person or Entity making a filing pursuant to these Trading Procedures shall, upon reasonable request by the Debtors, (i) provide the Debtors any additional information in connection with the evaluation of the action contemplated in such notice, and (ii) use reasonable efforts to elicit cooperation from its shareholders, partners,

officers, directors, members or other beneficial owners in connection therewith.

- (h) Interpretation. These Trading Procedures are intended to preserve, to the maximum extent possible, the Debtors' ability to obtain the maximum benefit from their Tax Attributes and, accordingly, any interpretative question that may arise under these Trading Procedures shall be resolved in the manner that will reduce the risks that a transfer of Stock might jeopardize the Debtors' use of their Tax Attributes.
- (i) Debtors' Right to Waive. The Debtors may waive, in writing, any or all of the Trading Procedures contained in this Motion.
- (j) Service on the Debtors. For purposes of the Trading Procedures, service on the Debtors shall mean delivery to: (a) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Michael Rudnick, Ann Young and Claudia Tobler; and (c) co-counsel to the Debtors, Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: James Bailey.

1. Any objection to the entry of the Final Order must be filed with the Court and served on the following parties: (i) counsel to the Debtors, Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York, 10019, Attention: Kelley Cornish (email: kcornish@paulweiss.com) and Claudia Tobler (email: ctobler@paulweiss.com) and Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Jay Bender (email: jbender@babco.com) and James Bailey (email: jbailey@babco.com); (ii) the Office of the Bankruptcy Administrator for the Northern District of Alabama, 1800 Fifth Avenue North, Birmingham, Alabama 35203, Attention: Tom Corbett (email: Thomas_corbett@alnb.uscourts.gov) and Jon Dudeck (email: jon_dudeck@alnb.uscourts.gov); (iii) counsel to the Steering Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attention: Ira Dizengoff (email: idizengoff@akingump.com), Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Ave, N.W., Washington, DC 20036, Attention: James Savin (email:

jsavin@akingump.com) and Burr Forman, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, Attention: Michael L. Hall (email: mhall@burr.com) and D. Christopher Carson (email: ccarson@burr.com); (iv) counsel to the administrative agent for the Debtors' prepetition secured credit facility; (v) counsel to any statutory committee appointed in these cases; and (vi) any party that has requested notice pursuant to Bankruptcy Rule 2002, in each case to allow actual receipt by no later than 4:00 p.m. (CDT) on August 11, 2015 (the "Objection Deadline").

2. The Debtors may file an omnibus reply to any objection with the court and serve such reply via e-mail on or before 12:00 p.m. (Central Daylight Time) on the day that is at least two business days before the date of the final hearing on the Motion.

3. If no objections are timely filed and served by the Objection Deadline as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of the Final Order annexed to the Motion, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party and the Motion shall be approved *nunc pro tunc* to the Petition Date.

4. Any transfer of Beneficial Ownership of Stock in violation of the Trading Procedures, including the notice requirements, shall be null and void *ab initio*.

5. The requirements set forth in this Interim Order are in addition to the requirements of all applicable law and do not excuse compliance therewith.

6. The requirements set forth in Bankruptcy Rule 6003 are deemed inapplicable to the Motion or satisfied.

7. Notice of the Motion satisfies the requirements of Bankruptcy Rule 6004(a).

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Dated: July 16, 2015

/s/ Tamara O. Mitchell
Tamara O. Mitchell
United States Bankruptcy Judge

Notice Recipients

District/Off: 1126-2
Case: 15-02741-TOM11

User: Itumlin
Form ID: pdf000

Date Created: 7/16/2015
Total: 30

Recipients of Notice of Electronic Filing:

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aty	William (Will) Lee Thuston, Jr.	wlt@csattorneys.com

TOTAL: 13

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	Walter Energy, Inc.	3000 Riverchase Galleria	Suite 1700	Birmingham, AL 35244-2359
cr	WHH Real Estate, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Cowin & Company, Inc.	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Nelson Brothers, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
ba	J. Thomas Corbett	Bankruptcy Administrator	1800 5th Avenue North	Birmingham, AL 35203
cr	United Mine Workers of America	c/o Sharon L. Levine	Lowenstein Sandler, LLP	65 Livingston Avenue & 6 Becker Farm Rd Roseland, NJ 07068
crsm	Steering Committee	c/o Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	Bank of America Tower New York, NY 10036-6745
intp	Wilmington Trust, National Association	Corporate Capital Markets	50 South Sixth Street Ste	1290 Minneapolis, MN 55402
intp	Scott Greissman	White & Case LLP	1155 Avenue of the Americas	New York, NY 10036
cr	Alabama State Port Authority	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203
cr	Thompson Tractor Co., Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
cr	Parker Towing Company, Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
cr	RGGS Land & Minerals, LTD., L.P.	c/o Robert A. morgan	ROSN HARWOOD, kPA	2200 Jack Warner Parkway, Suite 200 P. O. Box 2727 Tuscaloosa, AL 35403-2727
aty	Ira Dizengoff	Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	New York, NY 10036
aty	James Savin	Akin Gump Strauss Hauer & Feld LLP	1333 New Hampshire Ave NW	Washington, DC 20036
aty	Kristine Manoukian	Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	New York, NY 10036
smg	Thomas Corbett	BA Birmingham	1800 5th Avenue North	Birmingham, AL 35203

TOTAL: 17