

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)		
In re:)	Chapter 11	
)		
STARRY GROUP HOLDINGS, INC., <i>et al.</i> ,)	Case No. 23-10219 (KBO)	
)		
Debtors. ¹)	(Jointly Administered)	
)		
)	Related to Docket Nos. 197, 253, 407	

**NOTICE OF FILING OF FORM OF UPDATED LETTER OF THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS REGARDING
SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
STARRY GROUP HOLDINGS, INC. AND ITS DEBTOR AFFILIATES UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE THAT on February 20, 2023, Starry Group Holdings, Inc. and its debtor affiliates (collectively, the “Debtors”) filed the *Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 22] (as amended by the Debtors’ amended *Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 238] (the “March 2023 Amendment”), the “Original Plan”) and *Disclosure Statement for Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 23].

PLEASE TAKE FURTHER NOTICE THAT on February 23, 2023, the Debtors filed the *Motion of Debtors for Order (A) Approving the Disclosure Statement; (B) Establishing the Voting Record Date, Voting Deadline, and Other Dates; (C) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on the Plan and Filing Objections to the Plan; (D) Approving the Manner and Forms of Notice and Other Related Documents; and (E) Granting Related Relief* [Docket No. 84].

PLEASE TAKE FURTHER NOTICE THAT on March 23, 2023, the Official Committee of Unsecured Creditors (the “Committee”) filed the *Objection of the Official Committee of Unsecured Creditors to the Motion of Debtors for Order (A) Approving the Disclosure Statement; (B) Establishing the Voting Record Date, Voting Deadline, and Other Dates; (C) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on the Plan*

¹ The Debtors, along with the last four digits of each Debtor’s federal tax identification number, are: Starry Group Holdings, Inc. (9355); Starry, Inc. (9616); Connect Everyone LLC (5896); Starry Installation Corp. (7000); Starry (MA), Inc. (2010); Starry Spectrum LLC (N/A); Testco LLC (5226); Starry Spectrum Holdings LLC (9444); Widmo Holdings LLC (9028); Vibrant Composites Inc. (8431); Starry Foreign Holdings Inc. (3025); and Starry PR Inc. (1214). The Debtors’ address is 38 Chauncy Street, Suite 200, Boston, Massachusetts 02111.



and for Filing Objections to the Plan; (D) Approving the Manner and Forms of Notice and Other Related Documents; and (E) Granting Related Relief [Docket No. 197], which contemplated a letter from the Committee with its recommendation regarding the Original Plan (the “Original Letter”) being included with the solicitation materials in connection with voting on the Original Plan.

PLEASE TAKE FURTHER NOTICE THAT on March 28, 2023, the Debtors filed the March 2023 Amendment and *Disclosure Statement for Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 239].

PLEASE TAKE FURTHER NOTICE THAT on March 30, 2023, the Committee filed the *Notice of Filing of Form of Letter of the Official Committee of Unsecured Creditors Regarding Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 253], which attached as Exhibit A the Original Letter. In the Original Letter, the Committee notified general unsecured creditors that the Committee did not support the Original Plan in its then-current form and recommended that unsecured creditors delay voting on the Original Plan until reviewing further communication from the Committee. The Committee also notified general unsecured creditors in the Original Letter that it would continue negotiations regarding the Original Plan and would update unsecured creditors regarding its views on voting by posting another letter (the “Updated Letter”) on the Debtors’ website at <https://www.kccllc.net/Starry> after the Debtors filed their Plan Supplement but before the Voting Deadline.²

PLEASE TAKE FURTHER NOTICE THAT on May 8, 2023, the Debtors filed the *Second Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 407] (the “Amended Plan”). The Amended Plan reflects the terms of a global settlement negotiated among the Committee, the Debtors, and the Debtors’ prepetition lenders. The Committee prepared the Updated Letter based on its view of the global settlement, as reflected in the Amended Plan.

PLEASE TAKE FURTHER NOTICE THAT attached hereto as Exhibit A is the form of the Updated Letter.

² Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Amended Plan.

Dated: May 9, 2023
Wilmington, Delaware

MCDERMOTT WILL & EMERY LLP

/s/ David R. Hurst

David R. Hurst (I.D. No. 3743)
The Nemours Building
1007 North Orange Street, 10th Floor
Wilmington, DE 19801
Telephone: (302) 485-3900
Fax: (302) 351-8711
E-mail: dhurst@mwe.com

- and -

Darren Azman (admitted *pro hac vice*)
Kristin Going (admitted *pro hac vice*)
Stacy A. Lutkus (admitted *pro hac vice*)
Natalie Rowles (admitted *pro hac vice*)
One Vanderbilt Avenue
New York, NY 10017-3852
Telephone: (212) 547-5400
Fax: (212) 547-5444
E-mail: dazman@mwe.com
kgoing@mwe.com
salutkus@mwe.com
nrowles@mwe.com

*Counsel to the Official Committee
of Unsecured Creditors*

Exhibit A

Committee Letter

**The Official Committee of Unsecured Creditors of
Starry Group Holdings, Inc., *et al.***

Chapter 11 Case No. 23-10219 (KBO) (Bankr. D. Del.)

c/o McDermott Will & Emery LLP
One Vanderbilt Avenue
New York, NY 10017

May 8, 2023

To: Holders of Class 4 General Unsecured Claims Under Second Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code

The Official Committee of Unsecured Creditors (the “**Committee**”) of Starry Group Holdings, Inc., *et al.* (the “**Debtors**”) submits this letter to all unsecured creditors concerning their consideration of whether to vote in favor of the Second Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code [Docket No. 407] (the “**Amended Plan**”). Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Disclosure Statement or the Amended Plan.

FOR THE REASONS DESCRIBED BELOW, THE COMMITTEE SUPPORTS THE AMENDED PLAN AND BELIEVES THAT THE RECOVERY PROVIDED TO UNSECURED CREDITORS UNDER THE AMENDED PLAN REPRESENTS A NEGOTIATED RESULT THAT BEST SERVES THE INTERESTS OF ALL UNSECURED CREDITORS. UNSECURED CREDITORS WHO (I) DO NOT VOTE ON THE AMENDED PLAN OR (II) VOTE TO ACCEPT THE AMENDED PLAN ARE ENTITLED TO SUCH RECOVERY IF THE AMENDED PLAN IS CONFIRMED AND BECOMES EFFECTIVE. ACCORDINGLY, THE COMMITTEE RECOMMENDS THAT (I) UNSECURED CREDITORS WHO AGREE TO THE TERMS OF THE AMENDED PLAN AND ARE WILLING TO PROVIDE THIRD-PARTY RELEASES AS SET FORTH IN THE AMENDED PLAN VOTE TO ACCEPT THE AMENDED PLAN, AND (II) UNSECURED CREDITORS WHO ARE UNWILLING TO PROVIDE THIRD-PARTY RELEASES AS SET FORTH IN THE AMENDED PLAN DO NOT VOTE ON THE AMENDED PLAN.

Background

On February 20, 2023 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On March 3, 2023, the Office of the United States Trustee for Region 3 appointed the Committee, which is comprised of some of the Debtors’ largest unsecured creditors and represents the interests of all the Debtors’ general unsecured creditors. The Committee selected (i) McDermott Will & Emery LLP as counsel and (ii) M3 Partners, LP as financial advisor (together, the “**Committee Professionals**”).

The Plan and Disclosure Statement

Also on the Petition Date, the Debtors filed their Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code [Docket No. 22] (as subsequently amended by the Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code [Docket No. 272], the “**Original Plan**”). The Original Plan, which is described in the Disclosure Statement for Amended Joint Chapter 11 Plan of Reorganization of Starry Group Holdings, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code [Docket No. 273] (the “**Disclosure Statement**”), was formulated prior to the Petition Date by the Debtors and their prepetition lenders (the “**Lenders**”) without any input from the Committee. The Original Plan provided that holders of Class 4 General Unsecured Claims that (i) vote in favor of the Plan and agree to broad releases of certain third parties or (ii) do not vote on the Plan and do not opt-out of such releases would receive their pro rata share of the greater of (x) \$250,000 and (y) the difference between budgeted and actual Debtor and Committee professional fees.

On March 23, 2023, the Committee filed an objection to the Disclosure Statement explaining the reasons it believed that the Debtors’ plan as filed on the Petition Date was not structured to maximize recoveries for unsecured creditors. Some of the Committee’s concerns were addressed through amendments reflected in the Original Plan.

In connection with the plan voting process, the Committee, by letter dated March 31, 2023 (the “**Original Letter**”), notified general unsecured creditors that it did not support the Original Plan in its then-current form. Specifically, the Original Letter noted the Committee’s concerns regarding the Original Plan’s release provisions, which, if approved, would release certain third parties, including all the Debtors’ current and former directors and officers, without the Debtors first having completed an investigation into whether there are causes of action against those parties.

The Committee’s Recommendation

In the weeks since the Original Letter was sent, the Committee focused on the following:

First, the Committee engaged with the Debtors and Lenders regarding the economic terms of the Original Plan. Pursuant to the parties’ discussions, the Debtors agreed to amend the Original Plan to provide that holders of Class 4 General Unsecured Claims that (i) vote in favor of the Amended Plan and agree to the third-party releases or (ii) do not vote on the Amended Plan and do not opt-out of such releases will receive their pro rata share of the greater of (i) \$1,625,000; and (ii) \$11,000,000, *minus* the aggregate amount of all payments to certain specified categories of prepetition creditors made after the Petition Date.

Second, the Committee, through its advisors, analyzed the propriety of the described release provisions. Specifically, the Committee and its advisors investigated whether the Debtors’ estates hold claims and causes of action against third parties that could constitute an additional source of value for unsecured creditors. Following this investigation, which included the review of nearly 1,000 documents provided to the Committee by the Debtors, the Committee concluded

that there are no viable claims against the Debtors' directors and officers or other third parties that would meaningfully augment unsecured creditor recoveries.

In addition to foregoing, the Committee, Debtors, and Lenders, as part of a global settlement, have agreed that:

- The Debtors shall, prior to the Effective Date, (i) substantially complete their review of all General Unsecured Claims filed on or prior to the Bar Date and (ii) take commercially reasonable efforts to have materially advanced the reconciliation and objection process with respect to such Claims.
- The Lenders will consult in good faith with the Debtors and their advisors to ensure that the Debtors the Reorganized Debtors are adequately capitalized following emergence from bankruptcy.
- Payments on account of Allowed Professional Fee Claims of, and any post-Effective Date fees and expenses incurred by, the Committee Professionals shall not exceed \$2,250,000 in the aggregate.

The terms of this global settlement are reflected in the Amended Plan. The Committee believes that these terms, which are the result of extensive good faith negotiations between the parties, represent a fair and reasonable resolution of the interests and rights of unsecured creditors.

Based on the foregoing, the Committee supports the Amended Plan and believes that the recovery provided to unsecured creditors under the Amended Plan represents a negotiated result that best serves the interests of all unsecured creditors. Given that unsecured creditors who (i) do not vote on the Amended Plan or (ii) vote to accept the Amended Plan are entitled to such recovery if the Amended Plan is confirmed and becomes effective, the Committee recommends that (x) unsecured creditors who agree to the terms of the Amended Plan and are willing to provide third-party releases as set forth in the Amended Plan vote to accept the Amended Plan, and (y) unsecured creditors who are unwilling to provide third-party releases as set forth in the Amended Plan do not vote on the Amended Plan.

By this letter, the Committee is expressing its views on the Amended Plan in its current form. This letter does not purport to reflect the views of the Bankruptcy Court and does not constitute findings of fact or conclusions of law endorsed by the Bankruptcy Court, nor does it necessarily reflect the views of any individual Committee member, each of which reserves any and all of its rights. The Committee's support for the Amended Plan does not preclude any creditor from (i) voting to reject the Amended Plan, (ii) opting out of the Amended Plan's release provisions, or (iii) raising any objection to confirmation of the Amended Plan on any ground.

Before you cast your ballot, you should review the Amended Plan, the Disclosure Statement and the exhibits to the Disclosure Statement in their entirety and make your own independent decision as to whether the Amended Plan is acceptable. This letter is not intended or offered as legal advice as to any specific claim or the treatment of such specific claim under the Amended

Plan. It has been prepared for informational purposes only. To the extent required, you are urged to consult your own legal and financial professionals.

If you have any questions regarding voting procedures or otherwise, please contact counsel to the Committee, Kristin K. Going at (212) 547-5429 or Darren Azman at (212) 547-5444.

Very truly yours,

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
STARRY GROUP HOLDINGS, INC., *ET AL.*