

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

In re:

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

Debtors.

Chapter 11

Case No. 15-\_\_\_\_(\_\_\_\_)

Joint Administration Requested

**THE DEBTORS' APPLICATION FOR AN ORDER AUTHORIZING  
THE EMPLOYMENT, RETENTION AND APPOINTMENT OF  
KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS AND  
NOTICING AGENT AND ADMINISTRATIVE ADVISOR FOR THE  
DEBTORS NUNC PRO TUNC TO THE PETITION DATE**

Walter Energy, Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a “Debtor” and, collectively, the “Debtors”) hereby file this application (the “KCC Application”) for entry of an order substantially in the form of Exhibit A attached hereto (the “Proposed Retention Order”), pursuant to section 156(c) of title 28 of the U.S. Code, sections 105(a) and 327(a) of title 11 of the U.S. Code (the “Bankruptcy Code”) and rule 2002(f) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), appointing Kurtzman Carson Consultants LLC (“KCC”) as claims and noticing agent (“Claims and Noticing Agent”) and administrative advisor (“Administrative Advisor” and together with the Claims and Noticing Agent, the “Claims Agent”) in the Debtors’ cases effective *nunc pro tunc* to the Petition Date (as defined below). In support of the KCC Application, the Debtors submit and rely upon the

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



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*Declaration of Evan Gershbein in Support of the Debtors' Application for an Order Authorizing the Employment, Retention and Appointment of Kurtzman Carson Consultants LLC as Claims and Noticing Agent and Administrative Advisor for the Debtors, Nunc Pro Tunc to the Petition Date*, attached hereto as Exhibit B (the "Gershbein Declaration") and respectfully represent as follows:

### **JURISDICTION**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The predicates for the relief requested herein are 28 U.S.C. § 156(c), sections 105 and 327(a) of the Bankruptcy Code and Bankruptcy Rule 2002(f).

### **BACKGROUND**

3. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing the instant cases (the "Chapter 11 Cases"). The Debtors continue to manage and operate their businesses as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code.

4. No trustee, examiner or official committee has been appointed in the Chapter 11 Cases.

5. Information regarding the Debtors' businesses, their capital and debt structure and the events leading to the filing of the Chapter 11 Cases is contained in the First Day Declaration.<sup>2</sup>

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<sup>2</sup> The *Declaration of William G. Harvey in Support of First Day Motions* (the "First Day Declaration") is being filed substantially contemporaneous with this KCC Application and is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

## **RELIEF REQUESTED**

6. By this KCC Application, the Debtors request entry of an order appointing KCC as the Claims and Noticing Agent for the Debtors and their Chapter 11 Cases, including assuming full responsibility for the distribution of notices and the maintenance, processing and docketing of proofs of claim filed in the Debtors' Chapter 11 Cases. In addition, the Debtors seek to retain KCC as their Administrative Advisor because of KCC's extensive experience as a specialist in claims management, consulting and legal administration services, through which KCC provides comprehensive solutions to a wide variety of administrative issues for chapter 11 cases. KCC is one of the country's leading chapter 11 administrators, with substantial experience in matters of this size and complexity. Based on all engagement proposals obtained and reviewed, KCC's rates are competitive and reasonable given KCC's quality of services and expertise. The terms of KCC's retention are set forth in that certain Engagement Agreement attached hereto as Exhibit C (as may be amended from time to time, the "Engagement Agreement").

7. Although the Debtors have not yet filed their schedules of assets and liabilities, they anticipate that there will be in excess of 50,000 entities to be noticed in the Chapter 11 Cases. In view of the number of anticipated claimants and the complexity of the Debtors' businesses, the appointment of a claims and noticing agent is in the best interests of both the Debtors' estates and their creditors.

8. The Debtors also seek authorization to retain and employ KCC as Administrative Advisor in these Chapter 11 Cases pursuant to section 327(a) of the Bankruptcy Code because the administration of these Chapter 11 Cases will require KCC to perform duties outside the scope of 28 U.S.C. § 156(c).

## **KCC'S QUALIFICATIONS**

9. KCC is a leading industry professional with significant experience in both the legal and administrative aspects of large, complex chapter 11 cases. KCC's professionals have experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases and experience in matters of this size and complexity. KCC's professionals have acted as official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide, including: In re Frederick's of Hollywood, Inc., Case No. 15-10836 (KG) (Bankr. D. Del.); In re GT Advanced Technologies, Inc., Case No. 14-11916 (HJB) (Bankr. D.N.H.); In re Momentive Performance Materials, Case No. 14-22503 (RDD) (Bankr. S.D.N.Y.); In re TelexFree, LLC, Case No. 14-40987 (MSH) (Bankr. D. Mass.); In re Groeb Farms, Inc., Case No. 13-58200 (WS) (Bankr. E.D. Mich.); In re City of Detroit, Michigan, Case No. 13-53846 (TJT) (Bankr. E.D. Mich.); and In re THQ, Inc., Case No. 12-13398 (MFW) (Bankr. D. Del.). KCC's past cases in this District and the Middle District of Alabama include In re Jefferson County, Ala., Case No. 11-05736 (TBB) (Bankr. N.D. Ala.); In re Bruno's Supermarkets, LLC, Case No. 09-00634 (BGC) (Bankr. N.D. Ala.); and In re Small Loans, Inc., Case No. 11-12254 (Bankr. M.D. Ala. 2011)

10. By appointing KCC as the Claims Agent in these Chapter 11 Cases, the distribution of notices and the processing of claims will be expedited and the Office of the Clerk of the Bankruptcy Court (the "Clerk") will be relieved of the administrative burden of processing what may be an overwhelming number of claims.

## **SERVICES TO BE PROVIDED**

11. As set forth in and subject to the Engagement Agreement, KCC will perform the following tasks in its role as Claims and Noticing Agent, as well as all quality control relating thereto:

- (a) Prepare and serve required notices and documents in these Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules in the form and manner directed by the Debtors and/or the Court, including (i) notice of the commencement of the Chapter 11 Cases and the initial meeting of creditors under Bankruptcy Code § 341(a), (ii) notice of any claims bar date, (iii) notices of transfers of claims, (iv) notices of objections to claims and objections to transfers of claims, (v) notices of any hearings on a disclosure statement and confirmation of the Debtors' plan or plans of reorganization, including under Bankruptcy Rule 3017(d), (vi) notice of the effective date of any plan and (vii) all other notices, orders, pleadings, publications and other documents as the Debtors or the Court may deem necessary or appropriate for an orderly administration of the Chapter 11 Cases;
- (b) Maintain an official copy of the Debtors' schedules of assets and liabilities and statements of financial affairs (collectively, the "Schedules"), listing the Debtors' known creditors and the amounts owed thereto;
- (c) Maintain (i) a list of all potential creditors, equity holders and other parties-in-interest and (ii) a "core" mailing list consisting of all parties described in Bankruptcy Rule 2002(i) and (j) and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010; and update said lists and make said lists available upon request by a party-in-interest or the Clerk;
- (d) Furnish a notice to all potential creditors of the last date for the filing of proofs of claim and a form for the filing of a proof of claim, after such notice and form are approved by this Court and notify such potential creditors of the existence, amount and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;
- (e) Maintain a post office box or address for the purpose of receiving claims and returned mail and process all mail received;
- (f) For all notices, motions, orders or other pleadings or documents served, prepare and file or cause to be filed with the Clerk a Declaration or certificate of service within seven (7) business days of service which includes (i) either a copy of the notice served or the docket number(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service and (iv) the date served;

- (g) Process all proofs of claim received, including those received by the Clerk's office and check said processing for accuracy and maintain the original proofs of claim in a secure area;
- (h) Maintain the official claims register for each Debtor (the "Claims Registers") on behalf of the Clerk; upon the Clerk's request, provide the Clerk with certified, duplicate unofficial Claims Registers and specify in the Claims Registers the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, (iv) the amount asserted, (v) the asserted classification(s) of the claim (e.g., secured, unsecured, priority, etc.), (vi) the applicable Debtor and (vii) any disposition of the claim;
- (i) Implement necessary security measures to ensure the completeness and integrity of the Claims Registers and the safekeeping of the original claims;
- (j) Record all transfers of claims and provide any notices of such transfers as required by Bankruptcy Rule 3001(e);
- (k) Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to KCC's offices, not less than weekly;
- (l) Upon completion of the docketing process for all claims received to date for each case, turn over to the Clerk copies of the Claims Registers for the Clerk's review (upon the Clerk's request);
- (m) Monitor the Court's docket for all notices of appearance, address changes and claims-related pleadings and orders filed; and make necessary notations on and/or changes to the Claims Registers and any service or mailing lists, including to identify and eliminate duplicative names and addresses from such lists;
- (n) Identify and correct any incomplete or incorrect addresses in any mailing or service lists;
- (o) Assist in the dissemination of information to the public and respond to requests for administrative information regarding the Chapter 11 Cases as directed by the Debtors or the Court, including through the use of a case website and/or call center;
- (p) Monitor the Court's docket in these Chapter 11 Cases and, when filings are made in error or containing errors, alert the filing party of such error and work with them to correct any such error;

- (q) If the Chapter 11 Cases are converted to chapter 7, contact the Clerk's office within three (3) days of the notice to KCC of entry of the order converting the Chapter 11 Cases;
- (r) Thirty (30) days prior to the close of these Chapter 11 Cases, to the extent practicable, request that the Debtors submit to the Court a proposed Order dismissing KCC and terminating the services of such agent upon completion of its duties and responsibilities and upon the closing of these Chapter 11 Cases;
- (s) Within seven (7) days of notice to KCC of entry of an order closing the Chapter 11 Cases, provide to the Court the final version of the Claims Registers as of the date immediately before the close of the Chapter 11 Cases; and
- (t) At the close of these Chapter 11 Cases, box and transport all original documents, in proper format, as provided by the Clerk's office, to (i) the Federal Archives Record Administration, located at 4712 Southpark Blvd., Ellenwood, GA 30294, Central Plains Region, or (ii) any other location requested by the Clerk's office.

12. The Claims Registers shall be open to the public for examination without charge during regular business hours and on a case-specific website maintained by KCC.

13. As set forth in and subject to the Engagement Agreement, KCC will perform the following tasks in its role as Administrative Advisor, if and to the extent requested:

- (a) Assisting with the preparation of the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs;
- (b) Tabulating votes and performing subscription services as may be requested or required in connection with any and all plans filed by the Debtors and providing ballot reports and related balloting and tabulation services to the Debtors and their professionals;
- (c) Generating an official ballot certification and testifying, if necessary, in support of the ballot tabulation results;
- (d) Managing any distribution pursuant to a confirmed plan prior to the effective date of such plan; and
- (e) Performing such other administrative services as may be requested by the Debtors that are not otherwise encapsulated under the order approving the KCC Application.

## **PROFESSIONAL COMPENSATION AND INDEMNIFICATION**

14. The fees KCC will charge in connection with its services to the Debtors are set forth in the Engagement Agreement. KCC's rates are competitive and comparable to the rates KCC's competitors charge for similar services. Furthermore, KCC's rates are reasonable given the quality of KCC's services and KCC's prior bankruptcy expertise. Additionally, KCC will seek reimbursement from the Debtors for reasonable, documented, out-of-pocket expenses in accordance with the terms of the Engagement Agreement.

15. The Debtors respectfully request that the undisputed fees and expenses incurred by KCC in the performance of its services as Claims and Noticing Agent be treated as administrative expenses of the Debtors' estates pursuant to 28 U.S.C. § 156(c) and 11 U.S.C. § 503(b)(1)(A) and be paid in the ordinary course of business without further application to or order of the Court. KCC agrees to maintain records of all services showing dates, categories of services, fees charged and expenses incurred and to serve monthly invoices on the Debtors, counsel to the Debtors, the Office of the Bankruptcy Administrator for the Northern District of Alabama, counsel to the steering committee of first lien debt holders, counsel to any official committee monitoring the expenses of the Debtors and any party-in-interest who specifically requests service of the monthly invoices. If any dispute arises relating to the Engagement Agreement or monthly invoices, the parties shall meet and confer in an attempt to resolve the dispute; if resolution is not achieved, the parties may seek resolution of the matter from the Court.

16. KCC intends to apply to the Court for allowance of compensation and reimbursement of out-of-pocket expenses incurred after the Petition Date in connection with the services it provides as Administrative Advisor pursuant to the Engagement Agreement. KCC will comply with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local

Rules of the United States Bankruptcy Court for the Northern District of Alabama (the “Local Rules” and any order this Court so entered in the Chapter 11 Cases regarding professional compensation and reimbursement of expenses.

17. Prior to the Petition Date, the Debtors provided KCC a retainer in the amount of \$50,000 (the “Retainer”). KCC seeks to first apply the Retainer to all prepetition invoices, and thereafter to apply any unapplied portion of the retainer as of the Petition Date against invoices issued to the Debtors for postpetition services under the Engagement Agreement until the Retainer is exhausted before KCC seeks further payment from the Debtors.

18. As part of the overall compensation payable to KCC under the terms of the Engagement Agreement, the Debtors have agreed to certain indemnification and contribution obligations. The Engagement Agreement provides that the Debtors will indemnify and hold harmless KCC, its officers, employees and agents under certain circumstances specified in the Engagement Agreement, except in circumstances of KCC’s gross negligence, willful misconduct, fraud, or as otherwise provided in the Engagement Agreement or Proposed Retention Order. Such an indemnification obligation is customary, reasonable and necessary to retain the services of a Claims and Noticing Agent and Administrative Advisor in these Chapter 11 Cases.

19. KCC has informed the Debtors that it agrees to certain limitations on the indemnification and contribution obligations set forth in the Engagement Agreement, to the extent applicable, which are set forth in paragraphs 13-15 of the Proposed Retention Order. These provisions are customary and reasonable for administrative advisors in similar chapter 11 cases.

## DISINTERESTEDNESS

20. KCC has reviewed its electronic database to determine whether it has any relationships with the creditors and parties in interest provided by the Debtors, and, to the best of the Debtors' knowledge, information and belief and except as disclosed in the Gershbein Declaration, KCC has represented that it neither holds nor represents any interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed.

21. Moreover, in connection with its retention as Claims and Noticing Agent, KCC represents in the Gershbein Declaration, among other things, that:

- (a) KCC is not a creditor of the Debtors;
- (b) KCC will not consider itself employed by the U.S. government and shall not seek any compensation from the U.S. government in its capacity as the Claims and Noticing Agent in the Chapter 11 Cases;
- (c) By accepting employment in these Chapter 11 Cases, KCC waives any rights to receive compensation from the U.S. government in connection with the Chapter 11 Cases;
- (d) In its capacity as the Claims and Noticing Agent in these Chapter 11 Cases, KCC will not be an agent of the U.S. and will not act on behalf of the U.S.;
- (e) KCC will not employ any past or present employee of the Debtors in connection with its work as the Claims and Noticing Agent in these Chapter 11 Cases;
- (f) KCC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code with respect to the matters upon which it is to be engaged;
- (g) In its capacity as Claims and Noticing Agent in these Chapter 11 Cases, KCC will not intentionally misrepresent any fact to any person;
- (h) KCC shall be under the supervision and control of the Clerk's office with respect to the receipt and recordation of claims and claim transfers;
- (i) KCC will comply with all requests of the Clerk's office and the guidelines promulgated by the Judicial Conference of the U.S. for the implementation of 28 U.S.C. § 156(c); and

(j) None of the services provided by KCC as Claims and Noticing Agent in these Chapter 11 Cases shall be at the expense of the Clerk's office.

22. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require such additional disclosure.

23. The Gershbein Declaration represents that, to the best of KCC's knowledge, KCC is not connected with the Debtors, their creditors or other parties-in-interest and that, to the best of KCC's knowledge, after due inquiry, KCC does not, by reason of any direct or indirect relationship to, have a connection with or interest in the Debtors, hold or represent any interest adverse to the Debtors, their estates or any class of creditors or equity interest holders with respect to the matters upon which it is to be engaged. Based upon the Gershbein Declaration, KCC is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

24. To the extent that there is any inconsistency between this KCC Application, the Proposed Retention Order and the Engagement Agreement, the Retention Order shall govern.

### **NOTICE**

25. Notice of this Application will be provided to: (i) the Office of the Bankruptcy Administrator for the Northern District of Alabama; (ii) counsel to the administrative agent for the Debtors' prepetition secured credit facility; (iii) the indenture trustee for each of the Debtors' outstanding bond issuances; (iv) counsel to the steering committee of first lien debt holders; (v) the Internal Revenue Service; (vi) the Securities and Exchange Commission; (vii) the U.S. Environmental Protection Agency; (viii) the U.S. Attorney for the Northern District of Alabama; (ix) counsel to the UMWA; (x) the USW; (xi) the holders of the fifty (50) largest unsecured claims against the Debtors, on a consolidated basis; and (xii) all persons and entities that have

filed a request for service of filings in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002.

In light of the nature of the relief requested herein, no other or further notice is necessary

*[Remainder of Page Intentionally Left Blank]*

WHEREFORE, the Debtors respectfully request entry of the Proposed Retention Order authorizing KCC to act as the Claims and Noticing Agent and Administrative Advisor for the Debtors and granting such other relief as may be appropriate.

Dated: July 15, 2015  
Birmingham, Alabama

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**EXHIBIT A**

**PROPOSED RETENTION ORDER**

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

In re:

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

Debtors.

Chapter 11

Case No. 15-\_\_\_\_(\_\_\_\_)

Joint Administration Requested

**ORDER AUTHORIZING THE EMPLOYMENT, RETENTION AND  
APPOINTMENT OF KURTZMAN CARSON CONSULTANTS LLC AS  
CLAIMS AND NOTICING AGENT AND ADMINISTRATIVE ADVISOR  
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application (the “KCC Application”)<sup>2</sup> of Walter Energy, Inc. and its affiliated debtors and debtors-in-possession in the above-captioned cases (each a “Debtor” and, collectively, the “Debtors”) for entry of an order pursuant to section 156(c) of title 28 of the U.S. Code, sections 105(a) and 327(a) of title 11 of the U.S. Code (the “Bankruptcy Code”) and rule 2002(f) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and appointing Kurtzman Carson Consultants LLC (“KCC”) as claims and noticing agent (“Claims and Noticing Agent”) and administrative advisor (“Administrative Advisor” and together with the Claims and Noticing Agent, the “Claims Agent”) in the Chapter 11 Cases effective *nunc pro tunc* to the Petition Date; and jurisdiction existing for the Court to consider the KCC Application

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Walter Energy, Inc. (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); J.W. Walter, Inc. (0648); Jefferson Warrior Railroad Company, Inc. (3200); Jim Walter Homes, LLC (4589); Jim Walter Resources, Inc. (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); Walter Black Warrior Basin LLC (5973); Walter Coke, Inc. (9791); Walter Energy Holdings, LLC (1596); Walter Exploration & Production LLC (5786); Walter Home Improvement, Inc. (1633); Walter Land Company (7709); Walter Minerals, Inc. (9714); and Walter Natural Gas, LLC (1198). The location of the Debtors’ corporate headquarters is 3000 Riverchase Galleria, Suite 1700, Birmingham, Alabama 35244-23599.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the KCC Application.

pursuant to 28 U.S.C. §§ 157, 1334; and upon the Declaration of Evan Gershbein in Support of the Debtors' Application for an Order Authorizing the Employment, Retention and Appointment of Kurtzman Carson Consultants LLC as Claims and Noticing Agent and Administrative Advisor for the Debtors *Nunc Pro Tunc* to the Petition Date attached hereto as Exhibit B to the KCC Application (the "Gershbein Declaration"), and the Debtors having estimated that there are in excess of 50,000 entities to be noticed in these Chapter 11 Cases, many of which are expected to file proofs of claim; and it appearing that the receiving, docketing and maintaining of proofs of claim would be unduly time consuming and burdensome for the Clerk; and the Court being authorized under 28 U.S.C. § 156(c) to utilize, at the Debtors' expense, outside agents and facilities to provide notices to parties in chapter 11 cases and to receive, docket, maintain, photocopy and transmit proofs of claim; and the Court being satisfied that KCC has the capability and experience to provide such services and does not hold an interest adverse to the Debtors or the estates respecting the matters upon which it is to be engaged; and good and sufficient notice of this KCC Application having been given and no other or further notice being required; and it appearing that the employment of KCC is in the best interests of the Debtors, their estates and creditors; and sufficient cause appearing therefor, it is hereby ORDERED that:

1. Notwithstanding the terms of the Engagement Agreement, the KCC Application is approved solely as set forth in this Order.

2. The Debtors are authorized to retain KCC as Claims and Noticing Agent effective *nunc pro tunc* to the Petition Date under the terms of the Engagement Agreement and KCC is authorized and directed to perform noticing services and to receive, maintain, record and otherwise administer the proofs of claim filed in these cases and all related tasks, all as described in the KCC Application.

3. The Debtors are authorized to retain KCC as Administrative Advisor effective *nunc pro tunc* to the Petition Date under the terms of the Engagement Agreement.

4. KCC shall serve as the custodian of court records and shall be designated as the authorized repository for all proofs of claim filed in these cases and is authorized and directed to maintain a Claims Register for each of the Debtors and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk.

5. KCC is authorized and directed to obtain a post office box or address for the receipt of proofs of claim.

6. KCC is authorized to take such other action to comply with all duties set forth in the KCC Application.

7. The Debtors are authorized to compensate KCC for its fees and expenses incurred in connection with its appointment as Claims and Noticing Agent in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the services provided by KCC and the rates charged for each and to reimburse KCC for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for KCC to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses.

8. KCC shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred and shall serve monthly invoices on the Debtors, counsel for the Debtors, the Office of the Bankruptcy Administrator for the Northern District of Alabama, counsel for the Debtors, counsel to the steering committee of first lien debt holders, counsel for any official committee monitoring the expenses of the Debtors and any party-in-interest who specifically requests service of the monthly invoices. Parties shall meet and confer in an attempt

to resolve any dispute which may arise relating to the Engagement Agreement or monthly invoices, provided that the parties may seek resolution of the matter from the Court if resolution is not achieved.

9. KCC shall apply to the Court for allowances of compensation and reimbursement of out-of-pocket expenses incurred in respect of its services as Administrative Advisor in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, Local Rule 2016-1 and further orders of this Court entered in the Chapter 11 Cases.

10. If KCC's fees increase from the fees set forth in the Engagement Agreement, KCC shall file a supplemental declaration with the Court describing such increases.

11. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of KCC under this Order shall be an administrative expense of the Debtors' estates.

12. KCC shall first apply its Retainer to all outstanding prepetition invoices and, thereafter, KCC shall apply any unapplied portion of the Retainer as of the Petition Date against invoices issued to the Debtors for any postpetition services rendered under the Engagement Agreement until the Retainer is fully exhausted before KCC seeks further payment from the Debtors.

13. The Debtors shall indemnify KCC under the terms of the Engagement Agreement, as modified by paragraphs 14-16 herein.

14. KCC shall not be entitled to indemnification, contribution or reimbursement pursuant to the Engagement Agreement for services other than the services provided under the Engagement Agreement, unless such services and the indemnification, contribution or reimbursement therefor are approved by the Court.

15. Notwithstanding anything to the contrary in the Engagement Agreement, the Debtors shall have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from KCC's gross negligence, willful misconduct, or fraud; (ii) for a contractual dispute in which the Debtors allege a breach of KCC's contractual obligations, if the Court determines that indemnification, contribution or reimbursement would not be permissible pursuant to applicable law; or (iii) settled prior to a judicial determination under (i) or (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which KCC should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement as modified by this Order.

16. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these Chapter 11 Cases (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing these Chapter 11 Cases, KCC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, KCC must file an application in this Court and the Debtors may not pay any such amounts to KCC before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by KCC for indemnification, contribution or reimbursement and is not a provision limiting the duration of the Debtors' obligation to indemnify KCC. All parties in interest shall retain the right to object to any demand by KCC for indemnification, contribution or reimbursement.

17. In the event KCC is unable to provide the Claims and Noticing Agent services set out in this Order, KCC will immediately notify the Clerk and Debtors' counsel and cause to have all original proofs of claim and computer information turned over to another claims and noticing agent with the advice and consent of the Clerk and Debtors' counsel.

18. The Debtors may submit a separate retention application, pursuant to section 330 of the Bankruptcy Code and/or any applicable law, for work that is to be performed by KCC, but is not specifically authorized by this Order.

19. The Debtors and KCC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the KCC Application.

20. KCC shall not cease providing claims processing services during the Chapter 11 Cases for any reason, including nonpayment, without an order of the Court.

21. In the event of any inconsistency between the Engagement Agreement, the KCC Application and this Order, this Order shall govern.

22. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.

23. Notwithstanding any term in the Engagement Agreement to the contrary, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order and/or the Engagement Agreement.

Dated: July [ ], 2015

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT B**

**GERSHBEIN DECLARATION**

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

In re:  WALTER ENERGY, INC., <i>et al.</i> , <sup>1</sup>  Debtors.	Chapter 11  Case No. 15-____(____)  Joint Administration Requested
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**DECLARATION OF EVAN GERSHBEIN IN SUPPORT OF THE  
DEBTORS' APPLICATION FOR AN ORDER AUTHORIZING THE  
EMPLOYMENT, RETENTION AND APPOINTMENT OF  
KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS AND  
NOTICING AGENT AND ADMINISTRATIVE ADVISOR FOR  
THE DEBTORS, NUNC PRO TUNC TO THE PETITION DATE**

I, Evan J. Gershbein, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am the Senior Vice President of Corporate Restructuring Services at Kurtzman Carson Consultants LLC (“KCC”), whose offices are located at 2335 Alaska Avenue, El Segundo, California 90245. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called and sworn as a witness, I could and would testify competently thereto.

2. I submit this declaration in support of the Debtors’ application (the “Application”)<sup>2</sup> for an order approving the Debtors’ agreement with KCC (the “Agreement”) and

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

<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Application.

appointing KCC as claims and noticing agent and administrative advisor in these cases, as more fully set forth in the Application and the Agreement.<sup>3</sup>

3. As agent and custodian of the court records pursuant to 28 U.S.C. § 156(c), KCC will perform, at the request of the Office of the Clerk of the Court (the “Clerk’s Office”), the noticing and claims related services specified in the Application. In addition, at the Debtors’ request, KCC will perform such other noticing, claims, technical and support services specified in the Application.

4. KCC is one of the country’s leading chapter 11 administrators with expertise in noticing, claims processing and claims reconciliation. KCC is well-qualified to provide experienced services as claims and noticing agent, and to assist with other administrative services, in connection with these Chapter 11 Cases.

5. KCC’s professionals have acted as official claims and noticing agent in many large bankruptcy cases in this District and in other districts nationwide, including: In re Frederick’s of Hollywood, Inc., Case No. 15-10836 (KG) (Bankr. D. Del.); In re GT Advanced Technologies, Inc., Case No. 14-11916 (HJB) (Bankr. D.N.H.); In re Momentive Performance Materials, Case No. 14-22503 (RDD) (Bankr. S.D.N.Y.); In re TelexFree, LLC, Case No. 14-40987 (MSH) (Bankr. D. Mass.); In re Groeb Farms, Inc., Case No. 13-58200 (WS) (Bankr. E.D. Mich.); In re City of Detroit, Michigan, Case No. 13-53846 (TJT) (Bankr. E.D. Mich.); and In re THQ, Inc., Case No. 12-13398 (MFW) (Bankr. D. Del.). KCC’s past cases in this District and the Middle District of Alabama include In re Jefferson County, Ala., Case No. 11-05736 (TBB) (Bankr. N.D. Ala.); In re Bruno’s Supermarkets, LLC, Case No. 09-00634 (BGC) (Bankr. N.D. Ala.); In re Small Loans, Inc., et al., Case No. 11-12254 (Bankr. M.D. Ala. 2011).

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<sup>3</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

6. KCC represents, among other things, the following:
  - a. KCC is not a creditor of the Debtors;
  - b. KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the claims and noticing agent in these Chapter 11 Cases;
  - c. By accepting employment in these Chapter 11 Cases, KCC waives any rights to receive compensation from the United States government as claims and noticing agent;
  - d. In its capacity as the claims and noticing agent in these Chapter 11 Cases, KCC will not be an agent of the United States and will not act on behalf of the United States;
  - e. KCC will not employ any past or present employees of the Debtors in connection with its work as the claims and noticing agent in these Chapter 11 Cases;
  - f. KCC is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code with respect to the matters upon which it is to be engaged;
  - g. In its capacity as claims and noticing agent in these Chapter 11 Cases, KCC will not intentionally misrepresent any fact to any person;
  - h. KCC shall be under the supervision and control of the Clerk’s Office with respect to the receipt and recordation of claims and claim transfers; and
  - i. None of the services provided by KCC as claims and noticing agent shall be at the expense of the Clerk’s Office.

7. The Debtors have many creditors and contract counterparties and, accordingly, KCC may have rendered and may continue to render services to certain of these creditors in matters unrelated to these Chapter 11 Cases, either as vendors or in cases where KCC serves in a neutral capacity as a bankruptcy claims and noticing agent or class action settlement administrator. KCC has not and will not represent the separate interests of any such creditor in these Chapter 11 Cases. To the best of my knowledge, neither KCC, nor any of its

professional personnel, have any relationship with the Debtors that would impair KCC's ability to serve as claims and noticing agent or administrative agent. KCC has working relationships with certain of the professionals retained by the Debtors and other parties herein, but such relationships, except to the extent that KCC has communicated with the Debtors' other professionals concerning the preparation of these cases, are completely unrelated to these Chapter 11 Cases. In addition, KCC personnel may have relationships with some of the Debtors' creditors and other parties in interest. Such relationships are, however, of a personal or financial nature and are wholly unrelated to these Chapter 11 Cases. KCC has and will continue to represent clients in matters unrelated to these Chapter 11 Cases and has had and will continue to have relationships in the ordinary course of its business with certain vendors, professionals and other parties in interest in connection with matters unrelated to these Chapter 11 Cases.

8. KCC is an indirect subsidiary of Computershare Limited ("Computershare"). Computershare is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders.

9. To the best of my knowledge and except as disclosed herein, KCC is not connected with the Debtors, their creditors or parties-in-interest, and that, to the best of my knowledge, after due inquiry, KCC does not, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, hold or represent any interest adverse to the Debtors, their estates, or any class of creditors or equity interest holders with respect to matters upon which it is to be engaged, and that it is a "disinterested person, " as referenced in section 327(a)

of the Bankruptcy Code and as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

10. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

11. In performing the services of notice and claims agent, KCC will charge the Debtors the rates set forth in the Agreement. The compensation arrangement provided for in the Agreement is consistent with and typical of arrangements entered into by KCC and other such firms with respect to rendering similar services for chapter 11 clients.

12. KCC will maintain records of all services performed in these cases, which, at a minimum, show dates, categories of services, fees charged and expenses incurred.

13. I understand that the Debtors have requested that the undisputed fees and expenses incurred by KCC in the performance of its services as Claims and Noticing Agent be treated as administrative expenses of the Debtors' estates pursuant to 28 U.S.C. § 156(c) and 11 U.S.C. § 503(b)(1)(A) and be paid in the ordinary course of business without further application to or order of the Court. KCC agrees to maintain records of all services showing dates, categories of services, fees charged and expenses incurred and to serve monthly invoices on the Debtors, counsel to the Debtors, the Office of the Bankruptcy Administrator for the Northern District of Alabama, counsel to the steering committee of first lien debt holders, counsel to any official committee monitoring the expenses of the Debtors and any party-in-interest who specifically requests service of the monthly invoices. If any dispute arises relating to the Engagement Agreement or monthly invoices, the parties shall meet and confer in an

attempt to resolve the dispute; if resolution is not achieved, the parties may seek resolution of the matter from the Court.

14. KCC intends to apply to the Court for allowance of compensation and reimbursement of out-of-pocket expenses incurred after the Petition Date in connection with the services it provides as Administrative Advisor pursuant to the Engagement Agreement. KCC will comply with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules of the United States Bankruptcy Court for the Northern District of Alabama (the “Local Rules” and any order this Court so entered in the Chapter 11 Cases regarding professional compensation and reimbursement of expenses.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: July 13, 2015

Kurtzman Carson Consultants LLC



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Evan J. Gershbein  
Senior Vice President of Corporate Restructuring

**EXHIBIT C**  
**ENGAGEMENT AGREEMENT**



## KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 15<sup>th</sup> day of April, 2015, between Walter Energy, Inc. (together with its affiliates and subsidiaries, the “Company”),<sup>1</sup> and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, “KCC”).

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### Terms and Conditions

#### I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC’s standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in a pricing schedule provided to the Company (the “KCC Fee Structure”).

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company’s representatives, employees, agents and/or professionals (collectively, the “Company Parties”) with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

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<sup>1</sup> The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company’s chapter 11 case.



## KCC AGREEMENT FOR SERVICES

### II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect as of the date of this Agreement in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment. KCC reserves the right to reasonably increase its prices, charges and rates annually. If any price increases exceed 10%, KCC will give thirty (30) days written notice to the Company.

B. The Company agrees to pay the reasonable out of pocket expenses incurred by KCC in connection with services provided under this Agreement, including but not limited to, transportation, lodging, and meals.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced is due and payable upon the Company's receipt of the invoice. However, where total fees and expenses are expected to exceed \$10,000 in any single month, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, the Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses must be paid at least three (3) days in advance of those fees and expenses being incurred.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this Agreement in its entirety (the "Section 156(c) Order"). The form and substance of the motion and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11



## KCC AGREEMENT FOR SERVICES

case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$50,000 (the "Retainer") that may be held by KCC as security for the Company's payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

### III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company's use during and in connection with the services provided by KCC under this Agreement.

### IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

### V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days' written notice to the other party, release the required information.



## KCC AGREEMENT FOR SERVICES

### VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party and, to the extent that KCC has been retained by Bankruptcy Court order, entry of an order by the Bankruptcy Court discharging KCC or (ii) immediately upon written notice for Cause (defined herein) and, to the extent that KCC has been retained by Bankruptcy Court order, entry of an order by the Bankruptcy Court discharging KCC. As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the data or media, and be reimbursed by the Company for the expense of such disposition, after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

### VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.



## KCC AGREEMENT FOR SERVICES

### VIII. BANK ACCOUNTS

At the Company's request, KCC shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

### IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) resulting from, arising out of or related to KCC's performance under this Agreement (collectively, "Losses"). Losses must be limited to claims "resulting from, arising out of or related to" KCC's performance under the Agreement. Such indemnification shall exclude Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to the Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC's liability to the Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.

D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.



## KCC AGREEMENT FOR SERVICES

### X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

### XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

### XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or electronic mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC  
2335 Alaska Ave.  
El Segundo, CA 90245  
Attn: Drake D. Foster  
Tel: (310) 823-9000  
Fax: (310) 823-9133  
E-Mail: [dfoster@kccllc.com](mailto:dfoster@kccllc.com)

Walter Energy, Inc.  
3000 Riverchase Galleria, Suite 1700  
Birmingham, AL 35244  
Attn: Earl H. Doppelt, Esq.  
Fax: (205) 776-7859  
E-Mail: [earl.doppelt@walterenergy.com](mailto:earl.doppelt@walterenergy.com)

With a copy to:  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019  
Attn: Kelley A. Cornish  
Fax: (212) 492-0493  
E-Mail: [kcornish@paulweiss.com](mailto:kcornish@paulweiss.com)

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

### XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York.



## KCC AGREEMENT FOR SERVICES

### XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

### XV. COUNTERPARTS; EFFECTIVENESS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, which delivery may be made by exchange of copies of the signature page by facsimile or electronic mail.

### XVI. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

### XVII. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in New York County, State of New York.

### XVIII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

[SIGNATURE PAGE FOLLOWS]



## KCC AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

  
BY: Amber Kass DATE: 4/16/15  
TITLE: SVP, Corporate Restructuring

Walter Energy, Inc.

  
BY: Earl H. Doppelt, Esq. DATE: 4/20/15  
TITLE: Executive Vice President, General Counsel and Secretary