

**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-____(____)

Joint Administration Requested

**THE DEBTORS' EMERGENCY MOTION TO SET
EXPEDITED HEARINGS ON FIRST DAY MOTIONS**

Walter Energy, Inc. ("Walter Energy") and its affiliated debtors and debtors-in-possession (each a "Debtor" and, collectively, the "Debtors") hereby move (the "Motion"), pursuant to section 105 of title 11 of the U.S. Code (the "Bankruptcy Code") and rules 4001(b) and 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order, substantially in the form annexed hereto as Exhibit A (the "Proposed Order"), setting the First Day Motions (as defined herein) for expedited hearing and granting them such other and further relief as the Court deems just and proper. In support of this Motion, the Debtors rely on the *Declaration of William G. Harvey in Support of Chapter 11 Petitions and First Day Relief* (the "First Day Declaration")² and respectfully state as follows:

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 The First Day Declaration has been filed contemporaneously with this Motion and is incorporated by reference herein. Capitalized terms used herein that are not defined shall have the meaning set forth in the First Day Declaration.



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JURISDICTION

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. The Motion is a core proceeding under 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Cases and the Motion is proper before the Court under 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief sought herein are section 105 of the Bankruptcy Code and Bankruptcy Rules 4001(b) and 9006(c).

BACKGROUND

3. On the date hereof (the "Petition Date"), each of the Debtors filed voluntary petitions 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.

RELIEF REQUESTED

6. By this Motion, the Debtors seek the entry of an order, substantially in the form of the Proposed Order, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rules 4001(b) and 9006(c), setting the First Day Motions (as defined below) for expedited hearing on an interim and final basis, as applicable.

BASIS FOR RELIEF REQUESTED

7. Bankruptcy Rule 9006(c) provides that the Court, for cause shown, may in its discretion with or without notice reduce the notice period normally required for motions.

Bankruptcy Rule 4001(b) provides that the Court may conduct preliminary hearings on requests to use cash collateral at which the Court may grant the use of cash collateral only to the extent necessary to avoid immediate and irreparable harm to the Debtors' estates.

8. The Debtors filed the First Day Motions contemporaneously herewith. As set forth below, the Debtors require expedited hearings and relief on the below described motions (collectively, the "First Day Motions"), as follows:

- a. The Debtors' Motion for an Order Directing Joint Administration of the Debtors' Chapter 11 Cases (the "Joint Administration Motion").
- b. 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 (the "KCC Applications").
- c. The Debtors' Motion Pursuant to 11 U.S.C. §§ 102 and 105(a) and Bankruptcy Rules 2002(m) and 9007 Seeking Authority to Implement Certain Notice and Case Management Procedures (the "Case Management Motion").
- d. The Debtors' Motion for an Order (A) Granting the Debtors an Extension of Time Within Which to File Schedules and Related Documents and (B) Waiving the Requirements to File Lists of Equity Security Holders and Provide Notice to Equity Security Holders (the "SOFAs/Schedules Extension/Waiver Motion").
- e. The Debtors' Motion for an Order (A) Authorizing the Debtors to File a Consolidated List of 50 Largest Unsecured Creditors, (B) Waiving the Requirement to File a List of Creditors, and (C) Establishing Procedures for Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases (the "Consolidated Top 50 and Matrix Motion").
- f. The Debtors' Motion for Entry of Interim and Final Orders Under 11 U.S.C. §§ 105, 361, 362, 363, 507 and 552, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014 (A) (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, and (III) Scheduling a Final Hearing; and (B) Granting Related Relief (the "Cash Collateral Motion").
- g. The Debtors' Motion for an Order (A) (I) Approving Continued Use of the Debtors' Existing Cash Management System, (II) Authorizing Use of

Existing Bank Accounts and Checks, (III) Waiving the Requirements of 11 U.S.C. § 345(b), (IV) Granting Administrative Expense Status to Postpetition Intercompany Claims, and (V) Authorizing the Continuation of Certain Intercompany Transactions; and (B) Granting Related Relief (the “Cash Management Motion”).

- h. The Debtors’ Motion for (I) (A) an Order Authorizing, But Not Directing, the Debtors to Pay Certain Prepetition Wages, Compensation, Workers Compensation and Employee Benefits and to Maintain Employee Benefit Programs and Pay Related Administrative Obligations; and (B) a Supplemental Order Authorizing, But Not Directing, the Debtors to Pay Certain Bonus and Severance Obligations; (II) Authorizing and Directing Applicable Banks and Other Financial Institutions to Process and Pay All Checks Presented for Payment and to Honor All Funds Transfer Requests Made by the Debtors Relating to the Foregoing; and (III) Granting Related Relief (the “Wages Motion”).
- i. The Debtors’ Motion for Entry of Interim and Final Orders (A) Authorizing (I) the Debtors to Pay Prepetition Claims of Certain Critical Vendors and Foreign Vendors and (II) Financial Institutions to Honor and Process Related Checks and Transfers and (B) Granting Related Relief (the “Critical Vendors Motion”).
- j. The Debtors’ Motion for Entry of Interim and Final Orders (A) Authorizing (I) Payment of Certain Prepetition Claims of Shippers, Storage Providers and Service Providers and (II) Financial Institutions to Honor and Process Related Checks and Transfers and (B) Granting Related Relief (the “Possessory Liens Motion”).
- k. The Debtors’ Motion for an Order (A) Authorizing Debtors to Continue Prepetition Customer Programs and (B) Granting Related Relief (the “Customer Programs Motion”).
- l. The Debtors’ Motion for an Order (A) Authorizing (I) Debtors to Pay Certain Prepetition Taxes, Governmental Assessments and Fees and (II) Financial Institutions to Honor and Process Related Checks and Transfers; and (B) Granting Related Relief (the “Taxes Motion”).
- m. The Debtors’ Motion for Entry of Interim and Final Orders (A) (I) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Utility Services, (II) Deeming Utility Companies Adequately Assured of Future Performance, (III) Establishing Procedures for Determining Adequate Assurance of Payment, and (IV) Setting a Final Hearing Related Thereto; and (B) Granting Related Relief (the “Utilities Motion”).

- n. The Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Continue and Renew Their Surety Bond Program and (B) Granting Related Relief (the "Surety Bond Program Motion").
- o. The Debtors' Motion for an Order, Pursuant to Sections 105(a), 363(b), 363(c) and 1107(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004(h) (A) Authorizing the Debtors to (I) Continue Insurance Policies and Agreements Relating Thereto and (II) Honor Certain Prepetition Obligations in Respect Thereof; and (B) Granting Related Relief (the "Insurance Motion").
- p. The Debtors' Motion for an Order (A) Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estate and (B) Granting Related Relief (the "NOL Trading Motion").

9. The First Day Motions represent the minimum relief necessary to allow the Debtors to meet their obligations under the Bankruptcy Code, assist the Court in efficiently managing the Chapter 11 Cases and sustain the Debtors' operations for the benefit of the Debtors' estates and creditors. Many of the First Day Motions are purely procedural and others are critical to continuing the Debtors' operations and maximizing potential returns to creditors.

10. The various forms of relief requested in the First Day Motions are common in bankruptcies of the size and complexity of the Chapter 11 Cases. Scheduling expedited hearings on the First Day Motions will benefit the Debtors, the Debtors' creditors and all parties in interest. Accordingly, cause exists under Bankruptcy Rule 9006 to reduce the notice period for hearings on the First Day Motions.

NOTICE

11. Notice of this Motion 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.

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CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as is just and proper.

Dated: July 15, 2015
Birmingham, Alabama

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

EXHIBIT A

PROPOSED ORDER

**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-____(____)

Joint Administration Requested

ORDER SETTING FIRST DAY MOTIONS FOR EXPEDITED HEARINGS

Upon consideration of the motion (the “Motion”)² 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 105 of title 11 of the U.S. Code (the “Bankruptcy Code”) and rules 4001(b) and 9006(c) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), setting the First Day Motions for expedited hearing; 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 be given; and a hearing

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² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

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 to the extent provided herein.
2. The First Day Motions are hereby set for hearings in Courtroom __ located at the United States Bankruptcy Court for the Northern District of Alabama, Robert S. Vance Federal Building, 1800 Fifth Avenue North Birmingham, Alabama 35203 on _____ at _____ and the notice periods for the hearings on the foregoing motions are reduced accordingly.
3. The Debtors, proposed counsel for the Debtors, or any other agent for the Debtors, shall provide notice of such hearings by serving a copy of this Order on the service lists identified in the First Day Motions.
4. The First Day Motions will be heard in the order listed on the agenda attached hereto.
5. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: July ____, 2015

UNITED STATES BANKRUPTCY JUDGE

PROPOSED AGENDA FOR EXPEDITED HEARING ON FIRST DAY MOTIONS

1. Pro Hac Vice Motions
2. The Debtors' Motion for an Order Directing Joint Administration of the Debtors' Chapter 11 Cases (the "Joint Administration Motion").
3. 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 (the "KCC Applications").
4. The Debtors' Motion Pursuant to 11 U.S.C. §§ 102 and 105(a) and Bankruptcy Rules 2002(m) and 9007 Seeking Authority to Implement Certain Notice and Case Management Procedures (the "Case Management Motion").
5. The Debtors' Motion for an Order (A) Granting the Debtors an Extension of Time Within Which to File Schedules and Related Documents and (B) Waiving the Requirements to File Lists of Equity Security Holders and Provide Notice to Equity Security Holders (the "SOFAs/Schedules Extension/Waiver Motion").
6. The Debtors' Motion for an Order (A) Authorizing the Debtors to File a Consolidated List of 50 Largest Unsecured Creditors, (B) Waiving the Requirement to File a List of Creditors, and (C) Establishing Procedures for Notifying Creditors of the Commencement of the Debtors' Chapter 11 Cases (the "Consolidated Top 50 and Matrix Motion").
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