

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' MOTION FOR AN ORDER (A) (I) AUTHORIZING THE
FORMATION OF A COMMITTEE OF RETIRED EMPLOYEES PURSUANT TO
SECTIONS 1114(c)(2) AND 1114(d) OF THE BANKRUPTCY CODE, AND
(II) ESTABLISHING PROCEDURES FOR SELECTING COMMITTEE MEMBERS
AND (B) GRANTING RELATED RELIEF**

Walter Energy Inc., and its affiliated debtors and debtors-in-possession (each a “Debtor,” and, collectively, the “Debtors”) hereby move this Court for entry of an order substantially in the form attached hereto as Exhibit A (the “Proposed Order”), pursuant to sections 1114(c)(2) and 1114(d) of title 11 of the U.S. Code (the “Bankruptcy Code”), that the Court (a) (i) authorize the formation of an official retiree committee (“Section 1114 Committee”) and (ii) establish procedures for selecting Section 1114 Committee members and (b) granting related relief. In support of this motion (the “Motion”), the Debtors rely on the *Declaration of William G. Harvey*

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.



in Support of Chapter 11 Petitions and First Day Relief (the “First Day Declaration”)² and state as follows:

JURISDICTION

1. This Court has jurisdiction to hear this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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.

THE SECTION 1114 UNREPRESENTED RETIREES

6. As of the Petition Date, the Debtors employ approximately 2,300 employees in the United States. These employees include about 700 salaried and 1,600 hourly individuals. Of these, approximately 1,285 and 160 hourly employees are represented by the United Mine Workers of America (the “UMWA”) and the United Steelworkers (the “USW”) respectively.

² The First Day Declaration is being filed substantially contemporaneously with this Motion 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.

The employees perform a variety of functions critical to the Debtors' operations, including coal and methane gas extraction, sales, marketing, accounting, administration and management.

7. The Debtors provide healthcare, life-insurance and other post-retirement benefits to their retirees (collectively, the "OPEB Obligations") including:

- (a) **UMWA Retiree Medical Plan.** This company-sponsored plan is maintained pursuant to the Debtors' collective bargaining agreement with the UMWA. As of December 31, 2014, the Debtors have approximately 3,274 participants under the UMWA Retiree Medical Plan, of which approximately 609 are active, and approximately 2,665 are retired or disabled. As of December 31, 2014, the Debtors have approximately \$579.1 million in unfunded liabilities (determined under GAAP) with respect to the UMWA Retiree Medical Plan.
- (b) **Taft Retiree Medical Plan.** This company-sponsored plan is maintained pursuant to the Debtors' legacy collective bargaining agreement with the USW. As of December 31, 2014, the Debtors have approximately 27 participants under the Taft Retiree Medical Plan, all of whom are currently retired. As of December 31, 2014, the Debtors have approximately \$3.4 million in unfunded liabilities (determined under GAAP) with respect to the Taft Retiree Medical Plan.
- (c) **Walter Coke Retiree Medical Plan.** This company-sponsored plan is maintained pursuant to the Debtors' collective bargaining agreement with the USW. As of December 31, 2014, the Debtors have approximately 423 participants under the Walter Coke Retiree Medical Plan, of which approximately 170 are active, and approximately 253 are retired. As of December 31, 2014, the Debtors have approximately \$10.9 million in unfunded liabilities (determined under GAAP) with respect to the Walter Coke Retiree Medical Plan.
- (d) **Walter Coke Retiree Life Plan.** This company-sponsored plan is maintained pursuant to the Debtors' collective bargaining agreement with the USW. As of December 31, 2014, the Debtors have approximately 330 participants under the Walter Coke Retiree Life Plan, of which approximately 170 are active, and approximately 160 are retired. As of December 31, 2014, the Debtors have approximately \$0.5 million in unfunded liabilities (determined under GAAP) with respect to the Walter Coke Retiree Life Plan.
- (e) **Salaried Post-Retiree Medical Plan.** The Salaried Post-Retiree Medical Plan is not maintained pursuant to any collective bargaining agreement. As of December 31, 2014, the Debtors have approximately 348 participants under the Salaried Post-Retiree Medical Plan, of which approximately 246 are active, and approximately 102 are retired. As of

December 31, 2014, the Debtors have approximately \$4.2 million in unfunded liabilities (determined under GAAP) with respect to the Salaried Post-Retiree Medical Plan.

8. The Debtors' Retiree Benefits (as defined in section 1114(a) of the Bankruptcy Code) total approximately \$598.1 million in unfunded liabilities as of December 31, 2014. As part of their restructuring efforts and to return to profitability, the Debtors must, as a first step, substantially delever their balance sheets through the Chapter 11 Cases. A successful restructuring, however, demands more than just the elimination of funded debt. Confirmation of a chapter 11 plan depends on the Debtors' ability to materially reduce their legacy and existing labor costs. Towards that end, the Debtors will engage in negotiations with the UMWA (which represents approximately half of the Company's workforce), the USW and non-unionized retirees, among others, to obtain cost-savings in respect of the Company's OPEB Obligations. While the Company will strive to reach a consensual resolution with its retirees, the UMWA and the USW regarding these essential concessions, the Company may need to seek judicial relief to obtain such relief through the procedures and processes provided for in sections 1113 and 1114 of the Bankruptcy Code (collectively, the "1113/1114 Process") if no consensual resolution results.

RELIEF REQUESTED

9. By this Motion, the Debtors respectfully request that the Court authorize the formation of a Section 1114 Committee pursuant to sections 1114(c)(2) and 1114(d).

A. The Procedural Requirements of Section 1114

10. Congress adopted section 1114 as part of the Retiree Benefits Bankruptcy Protection Act of 1988 to establish a procedural and substantive framework for a debtor seeking to modify its retiree benefits, as that term is defined in section 1114(a) of the Bankruptcy Code.

11. Section 1114(e)(1) generally requires a debtor to continue to timely pay its retiree benefits following its bankruptcy filing. Nevertheless, a debtor may modify retiree benefits if the debtor and the “authorized representative” of the retirees whose retiree benefits are at issue agree to modify the retiree benefits. Alternatively, in the absence of such consensual resolution, the Court may authorize modification or termination of a debtor’s retiree benefits pursuant to the standards set forth in sections 1114(g) and 1114(h) of the Bankruptcy Code.

12. As an initial step, section 1114(f) of the Bankruptcy Code requires a debtor-in-possession, prior to filing an application to modify retiree benefits under section 1114, to “make a proposal to the *authorized representative* of the retirees.” 11 U.S.C. § 1114(f)(1) (emphasis added). Consequently, the Debtors cannot make significant progress toward the necessary modifications of their Retiree Benefits until the Debtors know who the authorized representative will be for each affected group of retirees.

13. The union is the presumptive “authorized representative” for purposes of section 1114 for those retirees whose Retiree Benefits are covered by a collective bargaining agreement with such union (the “Union Retirees”):

A labor organization shall be, for purposes of this section, the authorized representative of those persons receiving any retiree benefits covered by any collective bargaining agreement to which that labor organization is signatory, unless (A) such labor organization elects not to serve as the authorized representative of such persons, or (B) the court, upon a motion by any party in interest, after notice and hearing, determines that different representation of such persons is appropriate.

11 U.S.C. § 1114(c)(1). For those retirees whose Retiree Benefits are not covered by a collective bargaining agreement (the “Non-Union Retirees”), the Bankruptcy Administrator for the Northern District of Alabama (the “Bankruptcy Administrator”) must appoint a Section 1114 Committee pursuant to section 1114(d) to establish an authorized representative with whom the Debtors may negotiate modifications of the relevant Retiree Benefits.

14. The UMWA has agreed to represent the Union Retirees whose Retiree Benefits are covered by a UMWA collective bargaining agreement. As of the filing of this Motion, the USW has not determined whether to represent the Union Retirees whose Retiree Benefits are covered by a USW collective bargaining agreement. 11 U.S.C. § 1114(c)(1)(A). If the USW elects not to represent its Union Retirees for purposes of section 1114, those unrepresented Union Retirees (the “Unrepresented Union Retirees” and, together with the Non-Union Retirees, the “Unrepresented Retirees”) will not have an authorized representative for purposes of section 1114 until the Court appoints a Section 1114 Committee under section 1114(c)(2) to represent those Unrepresented Union Retirees. In such an event, the Debtors respectfully request that the Court, with the Bankruptcy Administrator’s assistance as described in the procedures set forth below, appoint a sufficient number of Unrepresented Union Retirees from the USW, if necessary, to the Section 1114 Committee, to ensure adequate representation of the interests of all Unrepresented Retirees on the Section 1114 Committee.

B. A Single Section 1114 Committee Is Sufficient to Represent All Unrepresented Retirees Even if a Union Elects Not to Serve as the Authorized Representative of its Retirees

15. If the USW elects not to serve as the authorized representative of its retirees, a single Section 1114 Committee will still adequately represent the interests of all Unrepresented Retirees. Appointing a single Section 1114 Committee has numerous benefits, including allowing the Debtors to conduct focused—and thus cheaper—negotiations with fewer entities. Moreover, because a Section 1114 Committee may seek to have the fees and costs of its advisors, as well as its reasonable out-of-pocket expenses, paid out of the estates’ assets pursuant to section 1114(b)(2), having more than one Section 1114 Committee could multiply the financial burden on the Debtors’ bankruptcy estates.

16. In the context of the Retiree Benefits at issue in the Debtors' Chapter 11 Cases, the interests of the Unrepresented Union Retirees and Non-Union Retirees are likely to be aligned, and no Unrepresented Retiree will suffer any prejudice if the Court authorizes the formation of a single Section 1114 Committee. To the extent the interests of the Unrepresented Union Retirees and the interests of the Non-Union Retirees are not aligned, however, the Debtors respectfully submit that it is more efficient for the Unrepresented Union Retirees and Non-Union Retirees to reconcile their differences *within* the Section 1114 Committee instead of requiring the Debtors to negotiate with additional entities, at great expense to the estate.

17. In this respect, the formation and composition of a Section 1114 Committee is similar to the formation and composition of a creditors' committee. Section 1114(b)(2) supports this analogy by referring to sections 1102 and 1103 of the Bankruptcy Code, which govern the formation, powers and duties of creditors' and equity security holders' committees. Even though unsecured creditors typically have disparate and conflicting interests in a bankruptcy estate, courts are very reluctant to appoint more than one unsecured creditors' committee. See In re Hills Stores Co., 137 B.R. 4, 6 (Bankr. S.D.N.Y. 1992) (“[B]ankruptcy courts have generally been reluctant to appoint separate committees of unsecured creditors notwithstanding the diverse and sometimes conflicting interests of creditors . . .”).

18. Other courts have approved the formation of a single Section 1114 Committee to represent both union and non-union retirees. See, e.g., In re Patriot Coal Corp., Case No. 15-32450-KLP, Dkt. No. 468 (Bankr. E.D. Va. July 7, 2015); In re Northwest Airlines Corp., Case No. 05-17930, Dkt. No. 1135 (Bankr. S.D.N.Y. Nov. 17, 2005); In re US Airways, Inc., Case No. 04-13819, Dkt. No. 127 (Bankr. E.D. Va. Sept. 15, 2004).

19. For the reasons set forth above, the Debtors are seeking the formation of a Section 1114 Committee to serve as the sole authorized representative of the Unrepresented Retirees of

the Debtors who are entitled to receive retiree benefits within the meaning of section 1114(a) of the Bankruptcy Code. The Debtors seek the formation of the Section 1114 Committee to maximize the chance of a consensual resolution of the section 1114 issues in these cases without the need for intervention from the Court. In addition, under the Debtors' Restructuring Support Agreement with certain of its secured creditors, the Debtors are required to file a motion to appoint a Section 1114 Committee at the outset of these Chapter 11 Cases. Accordingly, the formation of the Section 1114 Committee is necessary and appropriate at this time, and the Debtors respectfully request that the Court enter an order authorizing the formation of a Section 1114 Committee to act as the authorized representative for the Unrepresented Retirees pursuant to sections 1114(c)(2) and 1114(d) of the Bankruptcy Code and in accordance with the procedures below.

C. Proposed Selection Procedures for a Section 1114 Committee

20. Prior to filing this Motion, the Debtors provided a draft of this Motion to the Bankruptcy Administrator to review the Debtors' proposed procedures (the "Selection Procedures") by which the Bankruptcy Administrator will identify and solicit Unrepresented Retirees who are interested in serving on the Section 1114 Committee. The Debtors propose that the Bankruptcy Administrator will appoint interested Unrepresented Retirees to serve on the Section 1114 Committee based on the Selection Procedures, unless the Unrepresented Retirees are Unrepresented Union Retirees, in which case the Bankruptcy Administrator will recommend to this Court the appointment of the Unrepresented Union Employees based on such procedures.

21. The Selection Procedures also provide that within three (3) business days after the entry of an order granting this Motion, the Debtors will mail a notice and questionnaire in the form attached hereto as Exhibit B (the "Questionnaire") to each Unrepresented Retiree (for which the Debtors have address information) to solicit each such Unrepresented Retiree's

interest in serving on the Section 1114 Committee. The Debtors also will post the notice and the Questionnaire on the following websites: www.kccllc.net/WalterEnergy.

22. Any Unrepresented Retiree who is interested in serving on the Section 1114 Committee will have to complete the Questionnaire and fax or mail it to Kurtzman Carson Consultants LLC (“KCC”), the claims and noticing agent in these Chapter 11 Cases, so that KCC *receives* the Questionnaire no later than fourteen (14) calendar days after it is mailed (the “Questionnaire Deadline”).

23. After the Questionnaire Deadline, the Bankruptcy Administrator shall work promptly to select a group of individuals to serve on the Section 1114 Committee from those Unrepresented Retirees who submitted a Questionnaire. For Non-Union Retirees, the Bankruptcy Administrator shall identify, solicit and appoint, in the Bankruptcy Administrator’s sole discretion, a reasonable and adequate number of Non-Union Retirees to serve on the Section 1114 Committee. To the extent that any of the Unrepresented Retirees are Unrepresented Union Retirees, the Bankruptcy Administrator shall identify and solicit in the Bankruptcy Administrator’s sole discretion, a reasonable and adequate number of Unrepresented Union Retirees to serve on the Section 1114 Committee and then recommend those Unrepresented Union Retirees to this Court for formal approval and appointment to the Section 1114 Committee.

24. Nothing contained in this Motion or Order shall be deemed an admission or a finding that the Debtors have any obligations to provide any Retiree Benefits to any person. Notwithstanding the relief requested herein, the Debtors hereby reserve any of their rights they possess to modify any Retiree Benefits unilaterally in accordance with the documents and agreements governing the provision of such Retiree Benefits, without seeking relief under section 1114 of the Bankruptcy Code.

NOTICE

25. 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.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, the Debtors respectfully request that the Court (a) enter an order substantially in the form attached hereto as Exhibit A, granting the relief requested herein; and (b) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: July 15, 2015
Birmingham, Alabama

BRADLEY ARANT BOULT CUMMINGS LLP

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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

Docket Ref. ____

**ORDER (A) (I) AUTHORIZING THE FORMATION OF A COMMITTEE OF RETIRED
EMPLOYEES PURSUANT TO SECTIONS 1114(c)(2) AND 1114(d) OF THE
BANKRUPTCY CODE AND (II) ESTABLISHING PROCEDURES FOR SELECTING
COMMITTEE MEMBERS AND (B) GRANTING RELATED RELIEF**

Upon consideration of the Debtors' Motion for an Order (A) (I) Authorizing the Formation of a Committee of Retired Employees Pursuant to Sections 1114(c)(2) and 1114(d) of the Bankruptcy Code; and (II) Establishing Procedures for Selecting Committee Members and (B) Granting Related Relief (the "Motion"),² all as described more fully in the Motion; the Court having reviewed the Motion and having heard the statements of counsel regarding the relief requested in the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1134 and venue of this proceeding is proper in this District pursuant to 28 U.S.C. § 1409; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) notice of the Motion and the Hearing was

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

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

sufficient under the circumstances; (d) the appointment of the Retiree Committee pursuant to section 1114 of the Bankruptcy Code is in the best interests of the Debtors' respective estates and is appropriate under the circumstances; and (e) the Selection Procedures for the appointment of the Retiree Committee described in the Motion are fair and are reasonably designed to result in a balanced and representative Retiree Committee; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Court authorizes the formation of a single Section 1114 Committee. All Unrepresented Retirees shall be deemed to be represented by the Section 1114 Committee as their authorized representative for purposes of section 1114 of the Bankruptcy Code
3. The Debtors shall provide a list to the UMWA and the USW of all former employees for whom the Debtors do not have records indicating which union may have represented such employees. If the UMWA or USW believes that it is the representative for any person on the Debtors' list, that union must identify and advise the Debtors and the Bankruptcy Administrator for the Northern District of Alabama that it represents such persons by no later than seven (7) business days after entry of this Order.
4. Pursuant to section 1114(c)(1), the UMWA is hereby appointed to the Section 1114 Committee as the authorized representative for the Union Retirees it represents.
5. The Debtors, the Bankruptcy Administrator and this Court, as the case may be, shall fully implement the Selection Procedures, as fully described in the Motion.
6. Nothing contained in the Motion or this Order shall be deemed an admission or a finding that the Debtors have any obligations to provide any Retiree Benefits to any retiree

(whether a Union Retiree or a Non-Union Retiree). Notwithstanding the relief granted herein, the Debtors' rights to modify any Retiree Benefits unilaterally in accordance with the documents and agreements governing the provision of such Retiree Benefits, without seeking relief under section 1114 of the Bankruptcy Code, are hereby expressly preserved.

7. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

Dated: August [], 2015
Birmingham, Alabama

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

SECTION 1114 COMMITTEE QUESTIONNAIRE

**REQUEST FOR NOMINATIONS TO SECTION 1114 COMMITTEE
IN RE WALTER ENERGY, INC., ET AL.,¹ CASE NO. 15- ()**

Attention Walter Energy Retirees:

Walter Energy, Inc., and its affiliated debtors and debtors-in-possession (each a “Debtor,” and, collectively, the “Debtors”) have announced that they may seek to modify certain healthcare and life-insurance retiree benefits pursuant to Section 1114 of the Bankruptcy Code. We regret having to make this decision, but we’ve determined that these changes are necessary to reorganize successfully.

The Debtors will negotiate specific modifications to these benefits with a committee (the “Section 1114 Committee”) composed of “authorized representatives” of the various employee groups, as provided for in Section 1114 of the Bankruptcy Code. It is expected that negotiations may take place over several months after the bankruptcy court appoints the Section 1114 Committee and that Section 1114 Committee members will need to be available for the entire timeframe.

Representatives of Union Retirees

Section 1114 generally provides that the union is the authorized representative of individuals who retired from a job classification represented by that union.

In the Debtors’ case, the United Mine Workers of America has elected to represent its retirees. [If the job classification you retired from is now represented by the United Mine Workers of America, that union will serve as your authorized representative.]

[Other unions TBD]

Representatives of Non-Union Retirees

If the job classification you retired from is not represented by a union, you are eligible to seek to serve on the Committee.

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The Application Process for Eligible Retirees

The Bankruptcy Court and the Bankruptcy Administrator for the Northern District of Alabama will select and appoint the Section 1114 Committee. If you are a retiree whose healthcare or life-insurance retiree benefits may be affected, and if you are interested in serving on such a Section 1114 Committee, please complete the attached response form and send it to the Kurtzman Carson Consultants LLC (“KCC”) by facsimile (310-776-8341) or by mail to 2335 Alaska Avenue, El Segundo, CA 90245.

IN ORDER TO BE CONSIDERED FOR SERVICE ON SUCH A COMMITTEE, YOU MUST RETURN THE ATTACHED RESPONSE FORM SO THAT IT IS RECEIVED BY KCC NO LATER THAN [DATE].

Thank you for your interest in the section 1114 process.

**Walter Energy Processing Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue, El Segundo, CA 90245
Telephone: 866-967-0679
Fax: 310-776-8341**

SECTION 1114 COMMITTEE QUESTIONNAIRE

In re: WALTER ENERGY, INC., et al. (“Walter Energy”)

Case No. 15-____(____)

PLEASE RETURN BY FAX OR MAIL TO THE ABOVE ADDRESS SO THE FORM IS RECEIVED NO LATER THAN _____, 2015 at 5:00 P.M. (CDT)

PLEASE TYPE OR PRINT CLEARLY:

The undersigned creditor is willing to serve on the Section 1114(d) Retiree Committee:

1. Name: _____
2. Address: _____
3. Phone number: _____
4. Email: _____
5. Date of birth: _____
6. Date of retirement: _____
7. I retired from Walter Energy or the following Walter Energy subsidiary, division or other entity: _____
8. I worked for Walter Energy or such subsidiary, division or entity for the following number of years prior to retirement: _____
9. My position immediately prior to retirement was: _____

10. Please list all other positions you held while employed by the employer named in question 8 or by any other Walter Energy subsidiary, division or entity and the

approximate dates when each such position was held: _____

11. Were you a member of any union while employed by Walter Energy or any of the other employers named in this Questionnaire? Yes _____ No _____

If yes, what union? _____

Did you ever hold a leadership position with that union? Yes _____ No _____

If yes, please explain your leadership role within the union: _____

12. Are you currently receiving health insurance benefits due to your employment with Walter Energy or any of the employers named in this Questionnaire?

Yes _____ No _____

If yes, what is the approximate monthly value of the health insurance benefits you receive: _____

13. Are you currently eligible to receive life insurance benefits due to your employment with Walter Energy or any of the employers named in this Questionnaire? Yes _____ No _____

If yes, what is the amount of the benefit under your life insurance policy that you expect your designated beneficiary to receive: _____

14. Have you ever had any experience in the employee benefit or retiree benefit area?

Yes _____ No _____

15. If appointed to the Section 1114 Committee, would you be physically able and available to travel to attend meetings? Yes _____ No _____

If no, please explain: _____

16. Please provide any other information or background as to why you should be appointed to the Section 1114 Committee, including any specific skills that you have that would be valuable to the Section 1114 Committee:

SIGNATURE: _____

Print Name: _____

Date: _____

THIS IS NOT A PROOF OF CLAIM FORM.