

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

In re:

NEW WEI, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 15-02741-TOM7

Jointly Administered

**WARRIOR MET'S REMAINING OBJECTION
TO THE PROPOSED TAX SETTLEMENT
BETWEEN THE TRUSTEE AND THE IRS**

COMES NOW Warrior Met Coal, Inc. ("Warrior Met") and shows the Court as follows:

1. Andre' Toffel, the Trustee for the New WEI Estates (the "Trustee"), has filed a motion pursuant to F.R.B.P. 9019 seeking approval of a compromise between the Trustee and the Internal Revenue Service ("IRS"). Dkt. #3554 (the "Motion").

2. Warrior Met received a draft of the Motion and the proposed Settlement Agreement for the first time on Saturday, October 26, 2019. Warrior Met received a copy of the 400+ pages of tax information underlying the settlement for the first time on Tuesday, November 12 2019. Warrior Met is not complaining about the delivery dates.

3. Warrior Met purchased operating assets from the Debtors for more than \$1.25 billion. Included in those assets are substantial net operating losses ("NOLs") with substantial

¹ The Debtors in these cases, along with the last four digits of each of the Debtors' 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).



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value. The face amount of the acquired NOLs exceeds \$1 billion. Other valuable tax attributes were acquired as well. Warrior Met wants to be sure that the Settlement Agreement does not diminish the tax attributes it acquired through the § 363 sale.

4. Warrior Met is actively trying to resolve its concerns about the Motion and the Settlement Agreement. Warrior Met has had and continues to have discussions with a number of its previously engaged professionals. Warrior Met has also had discussions with the Trustee and with the IRS but those have not yet resolved its concerns. Warrior Met will be reaching out to the other two settling parties as well.

5. Warrior Met had hoped to be ready to respond substantively to the Motion by November 18, 2019, but it is not yet ready. Warrior Met has not yet determined whether its rights are or are not impacted by the Settlement Agreement. Warrior Met is more concerned about what it does not know than what it knows.

6. This dispute has been ongoing for more than thirty years. Warrior Met understands the settling parties want to bring this matter to a belated conclusion promptly.

7. Warrior Met requests that the hearing on approval of the Settlement Agreement be heard on the 18th. Warrior Met anticipates it will be the only objecting party. Warrior Met suggests that if it is the only objecting party, that the Settlement Agreement be conditionally approved subject only to the proviso that the approval is not effective until Warrior Met files a paper that it has no objection to the sale, or alternatively that if Warrior Met has a substantive objection, that the Court then set the matter down for further hearing to resolve the one objection.

WHEREFORE. Warrior Met moves this Court to approve the Settlement Agreement conditionally subject only to the objection of Warrior Met. That objection will be resolved as set forth in the immediately preceding paragraph.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed a true and correct copy of the forgoing document with the Clerk of the United States Bankruptcy Court for the Northern District of Alabama by using the CM/ECF system and a copy of the foregoing document has been provided by electronic filing to all persons receiving notice by CM/ECF which includes the parties listed below with email addresses on this the 14th day of November 2019:

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