

**Hearing Date: June 24, 2020 at 10:00 a.m. (Eastern)**  
**Reply Deadline: June 22, 2020**

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as indenture trustee for the holders of 10.500% Second  
Lien Notes due June 20, 2024 and 9.00% Second Lien  
Notes due June 30, 2025*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

|   |   |                         |
|---|---|-------------------------|
| In re:  | ) | Chapter 11              |
|   | ) |                         |
| WINDSTREAM HOLDINGS, INC., <i>et al.</i> , <sup>1</sup> | ) | Case No. 19-22312 (RDD) |
|   | ) |                         |
| Debtors.  | ) | (Jointly Administered)  |
|   | ) |                         |
|   | ) |                         |

**STATEMENT OF WILMINGTON TRUST, NATIONAL ASSOCIATION, AS  
INDENTURE TRUSTEE FOR THE HOLDERS OF 10.500% SECOND LIEN  
NOTES DUE JUNE 20, 2024 AND 9.00% SECOND LIEN NOTES DUE JUNE  
30, 2025 REGARDING THE FIRST AMENDED JOINT CHAPTER 11 PLAN  
OF REORGANIZATION OF WINDSTREAM HOLDINGS, INC., *ET AL.*,  
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

<sup>1</sup> The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. Due to the large number of debtor entities in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <http://www.kccllc.net/windstream>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.



Wilmington Trust, National Association, as indenture trustee (the “Trustee”) under that certain (i) Indenture dated as of August 2, 2018 (the “2024 Second Lien Notes Indenture”), by and among Windstream Services, LLC (the “Company”) and Windstream Finance Corp. (the “Co-Issuer” and together with the Company, the “Issuers”), as issuers, and certain restricted subsidiaries, as “Guarantors,” and the Trustee with respect to the 10.500% Senior Second Lien Notes due June 30, 2024 (the “2024 Second Lien Notes”) and (ii) Indenture dated as of August 2, 2018 (the “2025 Second Lien Notes Indenture” and together with the 2024 Second Lien Notes Indenture, the “Indentures”),<sup>2</sup> by and among the Issuers, the Guarantors, and the Trustee with respect to the 9.00% Senior Second Lien Notes due June 30, 2025 (the “2025 Second Lien Notes” and together with the 2024 Second Lien Notes, the “Second Lien Notes”), by and through its undersigned counsel, hereby submits this statement (the “Statement”) with respect to the *First Amended Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc. et al., Pursuant to Chapter 11 of the Bankruptcy Code* (as amended or supplemented from time to time, the “Plan”)<sup>3</sup> [Docket No. 1812].

The Second Lien Notes are subject to that certain Junior Lien Intercreditor Agreement, dated August 2, 2018, between and among JPMorgan Chase Bank, N.A., as First Lien Collateral Agent and First Lien Administrative Agent for the First Lien Secured Parties and as First-Priority Collateral Agent, U.S. Bank National Association, as Initial Other First-Priority Collateral Agent for the Initial Other First-Priority Secured Parties, and the Trustee, as Second Lien Collateral Agent and Second-Priority Collateral Agent for the Second-Priority Secured Parties (the “Junior

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<sup>2</sup> The Indentures define “Guarantors” as the direct and indirect “restricted subsidiaries” of the Company (other than the Co-Issuer ) that guarantee indebtedness under the Company’s “Credit Agreement” (as defined in the Indentures) and any other subsidiary that executes a guarantee of the notes issued under the Indentures. The identities of the original Guarantors are set forth on the signature pages of each Indenture.

<sup>3</sup> Capitalized terms not defined in this Statement shall have the meaning ascribed to such terms in the Plan.

Lien ICA”). Pursuant to, *inter alia*, § 5.04 of the Junior Lien ICA, the Trustee and holders of the Second Lien Notes are generally entitled to exercise “rights and remedies” as an “unsecured creditor.”

As indicated in the *Notice of Filing of Exhibits to the Disclosure Statement Relating to the Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc. et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1722], the Debtors stated that “the estimated range of Enterprise Value of the Reorganized Debtors, collectively, as of April 28, 2020, is approximately \$3,500 million to approximately \$4,000 million (with the mid-point of such range being \$3,750 million).” Based on that total enterprise value, the Second Lien Notes are totally unsecured under the Plan.

Under the current iteration of the Plan, holders of Allowed Second Lien Claims are classified under Class 5 (Second Lien Claims) and will receive Cash in an amount equal to *\$0.00125 for each \$1.00* of Allowed Second Lien Claims. Holders of General Unsecured Claims against the Obligor Debtors—including the Allowed Unsecured Notes Claims—are classified under Class 6A (Obligor General Unsecured Claims), will receive treatment identical to holders of Allowed Second Lien Notes, *i.e.* Cash in an amount equal to *\$0.00125 for each \$1.00* of such holders’ Allowed Obligor General Unsecured Claim(s) (assuming that Class 6A votes as a class to accept the Plan). Should either Class 5 or Class 6A vote to reject the Plan, holders of Claims in those classes will receive no recovery under the Plan.

The Trustee has reviewed media reports indicating that there may be settlement discussions between, *inter alia*, the Official Committee of Unsecured Creditors (the “Committee”) and the Debtors concerning the Plan. The Trustee files this Statement to protect and preserve the rights of the Second Lien Notes with respect to *pari passu* treatment with Class 6A should the Committee

and the Debtors reach any settlement agreement regarding the treatment of unsecured claims. Specifically, if the Committee reaches a resolution with the Debtors that provides more than \$0.00125 for each \$1.00 of Allowed Obligor General Unsecured Claims *without* a corresponding increase in recovery to holders of Allowed Second Lien Claims in Class 5, the Trustee asserts that the Plan would be unconfirmable (and would require re-solicitation).

WHEREFORE, for the reasons set forth in this Statement, the Trustee respectfully reserves all of its rights with respect to Confirmation of the Plan to the extent that there is an increase in distributions to holders of Claims in Class 6A without a corresponding increase in distributions to holders of Allowed Second Lien Claims in Class 5.

Dated: June 22, 2020  
New York, New York

Respectfully submitted,

**REED SMITH LLP**

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