

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. 15-02741-TOM11  
  
Joint Administration Requested

**ORDER (A) 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; (B) 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 (C) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors, seeking entry of an order pursuant to sections 105(a), 363 and 507 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004: (i) authorizing, but not directing, the Debtors, in accordance with their stated policies and in the ordinary course of business, to: (a) pay all prepetition employee wages, salaries and certain other payments owed to Employees, including amounts owed under the Safety Bonus Program, holiday pay and other paid time off obligations; (b) honor workers'

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



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compensation obligations; (c) make all contributions to prepetition benefit programs and continue such programs; (d) make all payments for which prepetition payroll withholding deductions (including, but not limited to, payroll taxes) were made; and (e) reimburse all prepetition employee business expenses; (ii) authorizing, but not directing, the Debtors to continue payment of wages, compensation and employee benefit programs in the ordinary course of business and to pay other costs and expenses relating to the foregoing as described more fully below; (iii) authorizing and directing applicable banks and other financial institutions to honor and pay all checks and transfers drawn on the Debtors' bank accounts to make the foregoing payments; and (iv) granting related relief, all as described more fully in the Motion; and the Court having heard the evidence and statements of counsel regarding the Motion and having determined that the legal and factual bases set forth in the Motion and attested to in the First Day Declaration establish just cause for the relief granted herein and the Court having found and concluded that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and due notice of the Motion having been provided; and it appearing that no other or further notice of the Motion need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and all parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Motion is GRANTED to the extent provided herein.

1. Except as otherwise set forth herein, the Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, but not obligated or directed, in the reasonable exercise of their business judgment and in the ordinary course of business, to pay and honor the Employee Obligations.

2. The Debtors are authorized, but not obligated or directed, to continue and maintain the Employee Programs (other than payments under the Quarterly Bonus Program and the Severance Program) during the Chapter 11 Cases, in their sole discretion.

3. The Debtors are authorized, but not the directed, to post cash collateral to secure their obligations to governmental regulators and agencies under the SIR Policies or otherwise to maintain the Debtors' workers' compensation policies, provided however, that the Debtors' will not post any cash collateral without the Steering Committee's consent, such consent not to be unreasonably withheld.

4. The Debtors are authorized, but not obligated or directed, in the reasonable exercise of their business judgment and in the ordinary course of business, to pay and honor the Employee Obligations and Employee Programs (other than payments under the Quarterly Bonus Program and the Severance Program), including any associated costs and fees.

5. Former Employees shall retain the right to coverage under the Debtors' Health Plans in accordance with the requirements of COBRA and the Debtors are authorized, but not directed, to pay any portion of the amounts due under the Health Plans, if any, with respect to such former Employees.

6. All applicable Disbursement Banks are authorized, when requested by the Debtors and in the Debtors' sole discretion, to receive, process, honor and pay any and all checks, drafts or electronic funds transfer requests drawn on the Debtors' accounts to the Employees whether issued or presented prior to or after the Petition Date; provided that sufficient funds are available in the applicable accounts, whether deposited prepetition or postpetition, to make the payments. The terms of this Court's Order approving the Cash Management Motion (among other relief granted therein) shall be applicable to any payments made by the Disbursement Banks pursuant to this Order.

7. Nothing in this Order shall be deemed to authorize payment of any amounts that are subject to section 503(c) of the Bankruptcy Code.

8. Authorization to pay all amounts on account of Employee Obligations shall not affect the Debtors' right to contest the amount or validity of any Employee Obligation, including without limitation, any amounts that may be due to any taxing authority and all related rights are fully reserved.

9. Authorizations given to the Debtors in this Order empower but do not direct the Debtors to effectuate the payments specified herein and the Debtors shall retain the business judgment to make or not make such payments, in all instances subject to the condition that funds are available to effect any payment. In no event shall any person (director, creditor, officer, manager, member, Employee or otherwise of the Debtors) be personally liable for any amounts authorized for payment herein but not paid and nothing in this Order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise effect such claims.

10. Nothing in the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code, or a waiver of the right of the Debtors, or shall impair the ability of the Debtors, or any other party in interest, to the extent applicable, to contest the validity and amount of any payment made pursuant to this Order.

11. Any payment made or to be made under this Order, and any authorization contained in this Order, shall be subject to the terms of the Interim Cash Collateral Order and related final order.

12. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

13. Notwithstanding Bankruptcy Rule 6003, this Order shall be effective and enforceable upon entry hereof.

14. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: July 15, 2015

/s/ Tamara O. Mitchell  
TAMARA O. MITCHELL  
United States Bankruptcy Judge



## Notice Recipients

District/Off: 1126-2  
Case: 15-02741-TOM11

User: Itumlin  
Form ID: pdf000

Date Created: 7/15/2015  
Total: 28

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TOTAL: 12

### Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	Walter Energy, Inc.	3000 Riverchase Galleria	Suite 1700	Birmingham, AL 35244-2359
cr	WHH Real Estate, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Cowin & Company, Inc.	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
cr	Nelson Brothers, LLC	c/o Daniel D. Sparks	505 20th Street North	Suite 1800 Birmingham, AL 35203
ba	J. Thomas Corbett	Bankruptcy Administrator	1800 5th Avenue North	Birmingham, AL 35203
cr	United Mine Workers of America	c/o Sharon L. Levine	Lowenstein Sandler, LLP	65 Livingston Avenue & 6 Becker Farm Rd Roseland, NJ 07068
crcm	Steering Committee	c/o Akin Gump Strauss Hauer & Feld LLP	One Bryant Park	Bank of America Tower New York, NY 10036-6745
intp	Wilmington Trust, National Association	Corporate Capital Markets	50 South Sixth Street Ste 1290	Minneapolis, MN 55402
intp	Scott Greissman	White & Case LLP	1155 Avenue of the Americas	New York, NY 10036
cr	Alabama State Port Authority	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203
cr	Thompson Tractor Co., Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
cr	Parker Towing Company, Inc.	c/o Benjamin S. Goldman, Esquire	2001 Park Place North	Suite 1200 Birmingham, AL 35203 UNITED STATES
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TOTAL: 16