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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
WAYPOINT LEASING HOLDINGS LTD., *et al.*,	:	**Case No. 18-13648 (SMB)**
Debtors.[1]	:	**(Jointly Administered)**

DECLARATION OF WILLIAM TRANSIER IN SUPPORT OF CONFIRMATION OF THE THIRD AMENDED CHAPTER 11 PLAN OF LIQUIDATION OF WAYPOINT LEASING HOLDINGS LTD. AND ITS AFFILIATED DEBTORS

I, William Transier, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I submit this declaration (this "**Declaration**") in support of an order confirming the *Third Amended Chapter 11 Plan of Liquidation of Waypoint Leasing Holdings Ltd. and its Affiliated Debtors* (as the same has been or may be amended, modified, supplemented, or restated, the "**Plan**") [ECF No. 871],[2] including the Plan Supplement (as the

[1] A list of the Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, is attached as **Exhibit A** to the Plan.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

same has been or may be amended, modified, supplemented, or restated, the "**Plan Supplement**") pursuant to section 1129 of chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). I have reviewed, and I am generally familiar with, the terms and provisions of the Plan, the documents comprising the Plan Supplement, the disclosure statement relating to the Plan (the "**Disclosure Statement**"), and the requirements for confirmation of the Plan under section 1129 of the Bankruptcy Code. I was personally involved in the development and negotiations regarding the Plan and its related documents.

2. Except as otherwise indicated, all statements in this Declaration are based on my personal experience and knowledge, opinions, discussions with the Debtors' former management and professionals, and review of the relevant documents. I am authorized to submit this Declaration on behalf of the Debtors. If called to testify, I could and would testify to each of the facts and opinions set forth herein.

Background

3. I am the founder and CEO of Transier Advisors LLC, an independent financial restructuring and advisory firm providing operational improvement, turnaround, restructuring, and executive leadership services to distressed companies. I have extensive management and board leadership experience, including serving as an audit partner for KPMG, a Chief Financial Officer, and Chief Executive Officer for multiple New York Stock Exchange listed companies and as an independent director in roles such as non-executive chairman, lead director, and audit and compensation committee chairman, as well as on special committees.

4. I have held these management and leadership roles for a variety of corporations, including debtors in large, complex chapter 11 cases. These roles include, by way of example, serving as an independent director of: (i) Teekay Offshore Partners L.P., since

March 2019; (ii) Exide Technologies since April 2019; (iii) Sears Holdings Corporations since October 2018; (iv) Gastar Exploration Inc. from August 2018 to January 2019 (v) Helix Energy Solutions Group, Inc. since September 2000; (vi) Westinghouse Electric Company, LLC since March 2017; (vii) Stonegate Production LLC since May 2016; (viii) Country Fresh Acquisition Corp. from January 2019 to June 2019; (ix) S-Evergreen Holdings Corporation from January 2019 to March 2019; (x) Brock Group Inc. from July 2017 to November 2017; (xi) Cal Dive International Corporation from 2008 to December 2012; (xii) Paragon Offshore PLC from 2014 to 2017; (xiii) Reliant Energy Inc. from 2002 to 2007; and (xiv) CHC Group Ltd. from May 2016 to May 2017.

5. I was appointed in June 2018 to serve as an independent director on the board of Waypoint Leasing Holdings Ltd. ("**Holdings**") to help guide the Debtors' restructuring process. Following the sale of substantially all of the Debtors' assets to Macquarie Rotorcraft Leasing Holdings Limited ("**Macquarie**"), I was appointed to serve as an independent director on the boards of the following additional Debtors: Waypoint Leasing (Ireland) Limited ("**WLIL**"), Waypoint Asset Company Number 1 (Ireland) Limited ("**WAC1**", and together with its Debtor subsidiaries, the "**WAC1 Group**"), Waypoint Asset Company Number 2 (Ireland) Limited ("**WAC2**", and together with its Debtor subsidiaries, the "**WAC2 Group**"), Waypoint Asset Co 3 Limited ("**WAC3**", and together with its Debtor subsidiaries, the "**WAC3 Group**"), Waypoint Asset Co 4 Limited, Waypoint Asset Co 5 Limited, Waypoint Asset Co 6 Limited ("**WAC6**", and together with its Debtor subsidiaries, the "**WAC6 Group**"), Waypoint Asset Co 7 Limited ("**WAC7**", and together with its Debtor subsidiaries, the "**WAC7 Group**"), Waypoint Asset Co 8 Limited ("**WAC8**", and together with its Debtor subsidiaries, the "**WAC8 Group**" and together with the WAC1 Group, WAC2 Group, WAC3 Group, WAC6 Group, and WAC7

Group, the ("**WAC Groups**"), Waypoint Asset Co 10 Limited, Waypoint Asset Co 11 Limited, Waypoint Asset Co 14 Limited, and Waypoint Asset Co 15 Limited.

6. The Court approved the sale of substantially all of the Debtors' assets through several sale transactions following rigorous marketing efforts and extensive, contentious, and difficult arm's-length negotiations with different parties who continue to operate the Debtors' former assets on a going-concern basis, thereby preserving the jobs of the large majority of the Debtors' employees and the value of the Debtors' business platform.

7. A substantial portion of the Macquarie sale proceeds were previously distributed to the WAC Lenders promptly following the closing of the sale to Macquarie, with the balance set aside (i) in cash collateral accounts to be distributed pursuant to the Plan, and (ii) in a designated winddown account to fund the winddown and ultimate liquidation of the Debtors' Estates (and their non-Debtor subsidiaries) worldwide (the "**Winddown**" and the "**Winddown Account**"), in accordance with a budget approved by the WAC Lenders (the "**Winddown Budget**"). The primary transactions contemplated by the Plan include: (i) distributing the remaining sale proceeds plus any additional proceeds or other funds that are or become available for distribution, all in accordance with the priorities established by the Bankruptcy Code, and then (ii) conducting the Winddown of the Debtors and their subsidiaries under non-bankruptcy law around the world using the funds in the Winddown Account. Any funds remaining in the Winddown Account after the Winddown is completed will be returned to the WAC Lenders pursuant to the terms of the Plan.

8. Under the Plan, I will serve as the Plan Administrator to, among other things, steer the Debtors and their non-Debtor affiliates towards a quick and efficient Winddown after the Effective Date. I will be tasked with winding down more than 100 entities across nearly

20 jurisdictions globally in accordance with the Winddown Budget. Given the global nature of the Debtors' helicopter leasing business, the Winddown will require coordination with and oversight of a number of professionals around the world. The length of time and the cost of the Winddown is variable and, in part, dependent on the scope of the releases, exculpations, and injunctions that are approved in the Plan.

9. Pursuant to the Plan, each Debtor entity will be wound down, liquidated, or otherwise terminated pursuant to applicable non-bankruptcy law in the relevant jurisdiction. Based on discussions with counsel and other restructuring professionals, I understand that each of the Debtors' jurisdictions has several different types of potential liquidation proceedings that can vary greatly in cost and duration.[3] The availability of cost-efficient liquidation proceedings in each jurisdiction is ultimately linked to the status of each Debtor's balance sheet and the amount and nature of the surviving claims against such Debtor. Specifically, the fewer remaining claims against a Debtor, the more likely it is that such Debtor can access the less expensive, more streamlined means of liquidation or termination under applicable local law. Accordingly, and as discussed in more detail below, the fully consensual Plan is designed to provide narrowly tailored releases that simultaneously preserve value for the Debtors' creditors (by preserving, solely to the extent they exist, certain potential claims and Causes of Action)[4] while giving the Debtors the best chance to access the most cost-efficient liquidation proceedings in each jurisdiction. Satisfying local law requirements and accessing the quicker and cheaper

[3] For example, I understand from discussions with counsel and the Debtors' restructuring professionals that in China, a voluntary liquidation can take as little as three months and cost $6,000, while a court-supervised bankruptcy proceeding could last up to a year and cost $400,000. Similarly, in Bermuda, a member's voluntary liquidation can take as little as five weeks and cost $10,000, while a compulsory winddown could last up to three years and cost $150,000. Further, winding down each of the Debtors' Irish entities could take anywhere from six months to two years and cost anywhere from nominal amounts to over €30,000 per entity based on the winddown proceeding utilized.

[4] As detailed herein, I do not believe that any claims or Causes of Action exist.

liquidation path in each of the Debtor's jurisdictions is ultimately a key to efficient use of the limited funds in the Winddown Account, completing the Winddown as quickly as possible, and returning any remaining funds in the Winddown Account to those WAC Lenders who have a reversionary interest in it.

10. Accordingly, striking a balance with respect to the release provisions in the Plan that both (i) preserves value and (ii) minimizes Winddown expenses, was a key negotiation point between the Debtors and the WAC Lenders, and an important aspect of the formulation of the Debtors' business judgment with respect to the Plan. As evidenced by the fully consensual nature of the Plan and the fact that every voting Class voted overwhelmingly to accept the Plan, and as discussed in more detail below, I believe the proposed Plan strikes this balance and is consistent with the Debtors' business judgment.

Plan Administrator & Plan Oversight Board

11. I have been proposed by the Debtors to serve as the Plan Administrator subject to the terms of the Plan, the Plan Administrator Contract, and the Bylaws (as defined herein). As the primary independent director of the Debtors, I led the Debtors through a complex prepetition and postpetition process involving extensive negotiations with the WAC Lenders, marketing and successfully selling as a going concern the Debtors' large helicopter fleet, and shepherding the Debtors through what this Court has referred to as essentially eight separate bankruptcy cases.[5] My familiarity with the Debtors, their non-Debtor subsidiaries, their business, their existing professionals, their complicated capital structure, and the actions necessary to wind down the Debtors and their non-Debtor subsidiaries under non-bankruptcy law

[5] Hr'g Tr. 135:12-15, *In re Waypoint Leasing Holdings Ltd.*, Case No. 18-13648 (SMB) (Bankr. S.D.N.Y. Dec. 20, 2018) ("The Debtors consist of eight separate silos. . . . You can think of it as eight separate cases, each with its own debt.").

best positions me to implement the Winddown. Additionally, I have served in a similar role for other liquidating entities, such as Sears Holdings Corporation and Stonegate Production Company LLC. I intend to fulfill my role as Plan Administrator in a transparent, timely, and cost-efficient way with the ultimate goal of concluding the Winddown under budget and returning any remaining funds in the Winddown Account to those WAC Lenders who have reversionary interests in it.

12. The Plan Administrator will be overseen by the Plan Oversight Board on the terms set forth in the Plan Oversight Board Bylaws (the "**Bylaws**") and the Plan Administrator Contract (the "**Plan Administrator Contract**"), each of which were filed with the Plan Supplement. As detailed in the Plan and the Bylaws, the members of the Plan Oversight Board are (i) SunTrust Bank, as both administrative agent and collateral agent under the WAC7 Credit Agreement ("**SunTrust**"); (ii) one of the holders of Notes under the WAC8 Note Purchase Agreement as selected by Required Holders (as defined under the WAC8 Note Purchase Agreement (the "**WAC8 Member**"); and (iii) Macquarie PF Inc., as the WAC1 Administrative Agent and a WAC Lender under the WAC1 Credit Agreement, WAC3 Credit Agreement, and WAC6 Credit Agreement ("**Macquarie**", together with SunTrust and the WAC8 Member, the "**Members**"). In accordance with the Bylaws, each Member has fiduciary duties in the same manner as members of an official committee of creditors. The Plan Oversight Board will have certain oversight rights as set forth in the Bylaws, including among other things, certain rights over the retention and payment of professionals, distributions, and prosecution and/or settlement of certain retained causes of action.

13. The Plan (and the release provisions therein), the Bylaws, and the Plan Administrator Contract were the subject of extensive, good faith negotiations between the

Debtors (including myself) and certain of the WAC Lenders. In the months and weeks leading up to the Confirmation Hearing, the Debtors engaged these lenders in arm's length negotiations with the goal of structuring the Plan in a way that would maximize the value of the Debtors' assets and enable me to conduct a cost-efficient Winddown. The good faith nature of these negotiations is evidenced by, among other things, the various iterations of the Plan and the Plan Supplement documents that were filed with the Court. As demonstrated by the fully consensual nature of the Plan, including that all voting Classes voted overwhelmingly to accept the Plan, the Plan and its related documents strike an appropriate balance for all stakeholders.

The Winddown

14. In December 2018, the Debtors and their advisors formulated a preliminary winddown budget that estimated the Winddown could cost approximately $12.2 million.[6] Given the complexities of the Debtors' business and capital structure, and the preliminary nature of the estimated budget, the Court permitted the Debtors to hold back a portion of the Macquarie sale proceeds that otherwise would have been distributed to certain WAC Lenders (the "**Holdback Amounts**") as a "cushion" the Debtors could seek to draw upon (either with consent of the lenders or through an order of the Court) in the event the Debtors identified unexpected estimated winddown expenses as the Debtors updated and finalized the winddown budget. Following the close of the sale transactions, the Debtors and their advisors worked quickly to finalize the Winddown Budget. After conducting further review and analysis, the Debtors increased the estimated Winddown costs from $12.2 million to $13.73 million. The

[6] The formulation of the initial winddown budget is detailed in the *Declaration of Robert A. Del Genio in Support of Proposed Order (I) Approving Purchase Agreement Among Debtors and Macquarie, (II) Authorizing Sale of Certain Of Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (III) Authorizing Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, and (IV) Granting Related Relief* [ECF No. 418].

$13.73 million Winddown Budget captured what the Debtors believed were all the identifiable Winddown costs under a "worst case" scenario. The Winddown Budget has been agreed to by the WAC Lenders and the Debtors, and it is attached and incorporated into the Bylaws.

15. Upon further discussions with the Debtors' professionals, and in light of the WAC Lenders on-going demands for a quicker resolution to these Chapter 11 Cases, the Debtors did not request that the WAC Lenders transfer any of the Holdback Amounts to the Winddown Account to fund the expected increased costs of the Winddown. Instead, all of the Holdback Amounts will be distributed under the Plan, and the Plan Administrator will be tasked with identifying cost savings and efficiencies and completing a Winddown that is now estimated to cost $13.73 million within the confines of a $12.2 million budget. I believe the Winddown can still be successfully completed on-budget because the Winddown Budget assumed a "worst case scenario" Winddown for each of the Debtor entities, and I believe certain entities will be able to access cheaper and quicker solvent liquidation proceedings. Furthermore, given my experience and background in similar winddown roles, I am confident that I can identify cost-savings, synergies, and other means to recoup the shortfall in the Winddown Budget. In light of the increased Winddown Budget and to ensure its success, I intend to proceed with the Winddown in a cost-efficient and expedited manner. Despite the increased Winddown Budget (and with full knowledge thereof), I accepted the role of Plan Administrator and if approved, I intend to fully comply with the Plan and the Bylaws with the goal of completing the Winddown on time and under budget.

The Plan

16. The Plan constitutes a joint chapter 11 plan for all of the Debtors, and the classification and treatment of Claims and Interests in the Plan apply to all of the Debtors. Given

the amount and extent of the WAC Lenders' secured claims and their underlying collateral, the Plan provides for the deemed consolidation of the WAC Groups for voting and distribution purposes. The remaining Debtors not within a WAC Group will not be consolidated for Plan voting or distributions purposes.

17. The Plan divides Claims and Interests into seven categories of classes: Priority Non-Tax Claims, Other Secured Claims, WAC Lender Secured Claims, General Unsecured Claims, Intercompany Claims, Other Interests, and Holdings Interests. The Plan also provides for the satisfaction of other types of Claims that do not require classification, such as Administrative Expense Claims and Priority Tax Claims. The allowance, classification, and treatment of all Allowed Claims and Interests under the Plan are designed to account for and conform with, the relative priority and rights of the Claims and Interests in each Class. Each Class of Claims or Interests has been assigned separate letters based on the type of Claim or Interest as detailed below:

(a) Class A includes any Claim, entitled to priority in payment as specified in section 507(a) of the Bankruptcy Code, other than Administrative Expense Claims and Priority Tax Claims, which are not classified and are separately treated under sections 2.1 and 2.3 of the Plan.

(b) Class B includes any Other Secured Claim, other than an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim or a WAC Lender Secured Claim.

(c) Class C includes any WAC 1 Secured Claim, WAC 2 Secured Claim, WAC 3 Secured Claim, WAC 6 Secured Claim, WAC 7 Secured Claim, WAC 8 Secured Claim or WAC 10 Secured Claim.

(d) Class D includes any Claim (including any WAC Lender Deficiency Claim) against a Debtor (other than an Administrative Expense Claim, WAC Lender Secured Claim, Intercompany Claim, Other Secured Claim, Priority Tax Claim, or Priority Non-Tax Claim) as of the Petition Date that is neither secured by

Collateral nor entitled to priority under the Bankruptcy Code or any order of the Bankruptcy Court.

(e) Class E includes any Claim against a Debtor or non-Debtor Affiliate held by a Debtor.

(f) Class F includes an Interest in the Debtors other than the Holdings Interests.

(g) Class G includes Holdings Interests.

Each Debtor or WAC Group has been assigned a number in the Plan. Accordingly, the classification of Claims and Interests in any Debtor or consolidated group of Debtors depends on the particular Debtor against which such Claim is asserted (or in which such Interest is held), and the type of Claim or Interest in question.

18. Generally, the Plan incorporates a "waterfall" classification and distribution scheme that strictly follows the statutory priorities prescribed by the Bankruptcy Code. All Claims and Interests within a Class have the same or similar rights against the Debtors. The Plan provides for the separate classification of Claims against, and Interests in, each Debtor based upon the differences in legal nature and/or priority of such Claims and Interests, generally grouping Claims based on the particular debt facilities or instruments that created the obligations underlying such Claims.

The Plan Satisfies Section 1129 of the Bankruptcy Code

19. Bankruptcy Code Section 1129(a)(1). On the basis of my understanding of the Bankruptcy Code, I believe the Plan complies with section 1129(a)(1) of the Bankruptcy Code because the Plan complies with Bankruptcy Code sections 1122 and 1123.

20. Bankruptcy Code Sections 1122 & 1123(a)(1). The Plan designates Classes of Interests and Claims, other than Claims of the type described in sections 507(a)(2), 507(a)(3), and

507(a)(8) of the Bankruptcy Code, *see* Plan § 3.1, and Claims and Interests within each Class are substantially similar to the other claims and Interests within the same Class.

21. Bankruptcy Code Section 1123(a)(2). The Plan specifies whether each Class of Claims and Interests is impaired or unimpaired under the Plan. *See* Plan § 3.3.

22. Bankruptcy Code Section 1123(a)(3). The Plan sets forth the treatment of impaired Claims and Interests. *See* Plan Article IV.

23. Bankruptcy Code Section 1123(a)(4). Except as otherwise agreed to by a holder of a particular Claim or Interest, the treatment of each Claim or Interest in each particular Class is the same as the treatment of each other Claim or Interest in such Class. *See* Plan Article IV.

24. Bankruptcy Code Section 1123(a)(5). I believe the Plan (and the Plan Supplement) provides adequate means for implementation of the Plan as required by section 1123(a)(5) through, among other things: (i) the Plan Administrator and his authority to implement all provisions of the Plan, *see* Plan § 5.4; (ii) the Winddown of the Debtors, *see* § Plan 6.5; (iii) the provisions governing Other Transactions under the Plan, *see* Plan § 5.6; (iv) the provisions governing Corporate Action under the Plan, *see* Plan § 5.5; and (v) the deemed consolidation of the Debtors for certain limited purposes related to the Plan, including voting, confirmation, and distribution under the Plan, s*ee* Plan § 5.12.

25. The composition of each board of directors of each Debtor, was disclosed prior to the Confirmation Hearing. *See* Plan Supplement, Ex. E. My role as proposed Plan Administrator was disclosed in the Plan. *See* Plan § 5.4.

26. Bankruptcy Code Section 1123(a)(6). The only new securities to be issued under the Plan pursuant to section 4.39 of the Plan are voting securities rather than non-voting securities to allow the Plan Administrator to control Holdings. Accordingly, given that

the Debtors are liquidating and only voting securities are being issued the Plan, satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

27. Bankruptcy Code Section 1123(a)(7). I believe that the Plan provisions governing the manner of selection of any officer, director, or manager under the Plan are consistent with the interests of creditors and equity security holders and with public policy in accordance with section 1123(a)(7) of the Bankruptcy Code. *See* Plan § 6.2.

28. Bankruptcy Code Section 1123(b)(1). Claims and Interests in the Unimpaired Classes are unimpaired and are also receiving appropriate treatment under the Plan.

29. Bankruptcy Code Section 1123(b)(2). Section 9.1 of the Plan provides that, on the Effective Date, each Executory Contract not previously rejected, assumed, or assumed and assigned shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code, unless such Executory Contract: (i) is identified for assumption in the Plan Supplement; (ii) as of the Effective Date, is subject to a pending motion to assume such Executory Contract; (iii) is a contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan; or (iv) is a D&O Policy. I understand that there are no defaults under the Executory Contracts and that the assumption or rejection (as applicable) of each Executory Contract is reasonable, warranted, and appropriate in the circumstances.

30. Bankruptcy Code Section 1123(b)(3). Section 11.5 of the Plan provides for a release of Claims and Causes of Action owned by the Debtors. Section 5.9 of the Plan preserves for the Debtors all Causes of Action, except as otherwise provided in the Plan or by an order of this Court. Section 7.7 of the Plan preserves any rights of setoff or recoupment that the Debtors or the Plan Administrator may have against the holder of any Claim.

31. Bankruptcy Code Section 1123(b)(5). As set forth in Article IV of the Plan, the Plan modifies the rights of holders of Claims and Interests in the Impaired Classes and leaves unaffected the rights of holders of Claims and Interests in the Unimpaired Classes.

32. Bankruptcy Code Section 1123(b)(6). The Plan contains certain provisions for (i) distributions to holders of Claims and Interests; (ii) the resolution of Disputed Claims; (iii) the allowance of certain Claims; (iv) the release, injunction, and exculpation provisions set forth in Article XI of the Plan; (v) the winddown of the Debtors and their direct and indirect non-Debtor subsidiaries; and (vi) the retention of this Court's jurisdiction for any matter arising in or under, or related to, the Chapter 11 Cases, in each case consistent with the applicable provisions of the Bankruptcy Code and the law of the Second Circuit.

33. Estate Release Provisions. Section 11.5 of the Plan provides for a limited release of claims and Causes of Action that the Debtors, the Debtors' Estates, and any person or entity seeking to exercise the rights of the Debtors or the Debtors' Estates could assert against the Debtor Released Parties[7] relating to claims arising on or after June 1, 2018 (the "**Estate Releases**"). The Debtors and their advisors carefully considered and crafted important

[7] Section 1.24 of the Plan defines "**Debtor Released Parties**" as all holders of Claims who vote to accept the Plan, as well as all of the Released Parties; provided, however, that the holder of a Claim (other than a Debtor or a wholly-owned direct or indirect subsidiary of a Debtor) who is deemed to have accepted the Plan, but does not actually vote to accept the Plan, shall not be a Debtor Released Party. Section 1.81 of the Plan defines "**Released Parties**" as collectively and in each case in their capacity as such, (i) the Debtors; (ii) the WAC Agents (except to the extent the Required Lenders under the applicable WAC Facility vote to reject the Plan); (iii) the WAC Lenders that vote to accept the Plan, (iv) the Steering Committee, and (v) with respect to each of the foregoing (i) through (iv), their respective current and former predecessors, successors and assigns, subsidiaries, and Affiliates, and its and their officers, directors, members, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, and other professionals, and such persons' respective heirs, executors, Estates, servants and nominees; provided, however, that former officers of the Debtors listed in clause (v) who are related to the Debtors and who have pending or threatened litigation (including Causes of Actions for breach of contract or breach of fiduciary duty, whether or not asserted in proofs of claim for rejection damages, but excluding claims related to indemnification, reimbursement, or other ordinary course obligations of the Debtors) against the Debtors, their Affiliates, officers, directors, principals, shareholders, members, managers, partners or employees shall not constitute Released Parties for any capacity in which they may have served the Debtors.

limitations on the breadth and scope of the Estate Releases. These limitations support the Debtors' sound business judgment in determining to give the Estate Releases.

34. *The Estate Releases Only Cover the Restructuring Period*. Pursuant to the Plan, the Estate Releases only release claims and Causes of Action arising on or after June 1, 2018. This is a critical date for the Debtors as it corresponds to the time the Debtors formally engaged in restructuring negotiations with the Steering Committee that culminated in the Debtors' initial three-month forbearance period on or about June 29, 2018 (the "**First Forbearance**"). Accordingly, claims arising from conduct prior to the initiation of formal restructuring negotiations are not released under the Plan.[8]

35. Importantly, after extensive diligence and analysis, the Debtors do not believe any valid claims for conduct after June 1, 2018 against the Debtor Released Parties exist; accordingly, the release of such claims is a sound exercise of the Debtors' business judgment. First, during the period beginning on June 1, 2018, the Debtors were under intense scrutiny with all major decisions (including the decision to proceed with the Macquarie transaction) being made after receiving and considering input from the Steering Committee and its advisors, as well as other WAC Lenders and the Debtors' own lawyers, bankers, and financial advisors. The Steering Committee and the WAC Lenders granted the Debtors relief under the Forbearance Agreements, encouraged the Debtors to begin a marketing and sale process, supported the filing of the Chapter 11 Cases to finalize and implement such sale, and supported the Macquarie and other sale transactions. These creditors were fully engaged in on-going dialogue with the Debtors and their advisors throughout the latter half of 2018. The Debtors held numerous in person meetings with the Steering Committee and its advisors throughout the restructuring

[8] Although as detailed below, any recovery on account of any such claims and causes of action, to the extent asserted against a Debtor or one of its directors or officers, would be limited to available D&O Policy proceeds.

process, provided the Steering Committee, WAC Lenders, and their respective advisors with access to a dataroom populated with significant information about the Debtors' finances, assets and business, and provided regular updates about the marketing process. In particular, following the First Forbearance, the Steering Committee and its advisors had access to a dataroom and received regular cash flow and variance reporting, bank balance snapshots, and other monthly and weekly reporting. The WAC Lenders also had the right to review and object to go-forward budgets. Additionally, as of June 1, 2018, the Debtors had implemented a critical payments protocol whereby each payment made from the business to a third party was reviewed and approved by Ernst & Young to confirm that the payment was consistent with the fiduciary duties of an officer/director of an Irish company.

36. *The Released Parties are Limited*. The Estate Releases apply to the Debtor Released Parties, including certain of the Debtors' affiliates, officers, and directors listed in clause (v) of the Released Parties definition (the "**Affiliated Parties**") who provided integral support to the Debtors throughout the Chapter 11 Cases. The Plan limits the Estate Releases with respect to the Debtors' Affiliated Parties to only those parties who served in their roles on or after the Petition Date; accordingly, the Estate Releases do not apply to former directors, officers, and similar parties who were not involved in the restructuring due to having left their roles with the Debtors prior to the Petition Date.

37. Further, the Estate Releases apply to the WAC Lenders who voted in favor of the Plan and the WAC Agents all of whom agreed to the Forbearance Agreements prepetition, worked with the Debtors throughout the Chapter 11 Cases, and are consenting to provide the Accepting Claimant Release, as discussed below.

38. *Certain Claims Are Preserved*. The Estate Releases do not include any claims arising from fraud, gross negligence, or willful misconduct ("**Misconduct Claims**"). To the extent the Debtors or the Plan Administrator (as applicable) hold a claim or cause of action against an Affiliated Party who is not released by the Estate Releases, recovery will be limited to D&O Policy proceeds.

39. The Estate Releases are Supported by the Debtors' Business Judgment. Based on my experience, my participation in the Chapter 11 Cases, and my knowledge of the Winddown, I believe the Estate Releases constitute a sound exercise of the Debtors' business judgment, are fair and reasonable, and in the best interest of the Debtors.

40. *The Estate Released Claims Have Limited Value.* After a thorough investigation (as detailed below) that revealed no colorable claims or Causes of Action, I do not believe that the claims or Causes of Action released pursuant to the Estate Releases represent material value to the Debtors and the Debtors' Estates. The cost of pursuing any such claim or Cause of Action would exceed any benefit to be derived therefrom, and the *de minimis* value of such claims and Causes of Action is outweighed by the significant value and benefits the Debtors and their stakeholders will receive by having a greater likelihood of accessing more cost-effective proceedings in the Winddown. Accordingly, given the absence of any claim or Cause of Action, the Estate Releases are supported by the Debtors' sound business judgment.

41. I understand that most potential claims and Causes of Action subject to the Estate Releases (the "**Estate Released Claims**") would likely arise under Irish law because they would relate to activities by WLIL and the WAC Group companies that conducted the Debtors' operations, which entities are organized under the laws of Ireland. Accordingly, in early 2019, following the close of the sale of substantially all of the Debtors' assets to Macquarie

I directed the Debtors' Irish counsel, A&L Goodbody Solicitors ("**ALG**"), with the assistance of Weil, Gotshal & Manges ("**Weil**"), to conduct an investigation into the Estate Released Claims and other claims of the Debtors, focusing the investigation on claims that the Debtors may have against present and former directors, officers and shareholders, arising out of, but not limited to, certain prepetition decisions by the various boards and the information provided to the WAC Lenders in the years leading up to the Petition Date. I understand that ALG and Weil reviewed, among other things, board minutes, board presentations and substantially all of the materials provided to the WAC Lenders for the period prior to June 1, 2018 with a focus on whether any meritorious claims existed. Further discussions were held with certain members of the Debtors' senior management team regarding the Debtors' prepetition decision making process and communications to WAC Lenders. Based on the material and documents provided to it, ALG reported that it could not identify a meritorious claim that likely would provide material value to the Debtors. Likewise, the WAC Lenders who would be principle beneficiaries of any successful Cause of Action were requested to, but have not identified any colorable claims or Causes of Action that the Debtors may have against other Debtors or their Affiliated Parties. However, to the extent further information is discovered that would change this conclusion, the Debtors have reserved their right to pursue certain Affiliated Parties for claims arising prior to June 1, 2018, only to the extent of any available D&O Policy Proceeds.

42. *Pursuit of the Estate Released Claims Would Result in Complex and Protracted Litigation*. I further understand from discussions with ALG that there are significant practical challenges and costs associated with asserting the Estate Released Claims that would make it burdensome and costly to pursue any of the Estate Released Claims. The practical difficulties and unknown cost associated with asserting the Estate Released Claims further

support the Debtors' business judgment in releasing the Estate Released Claims. I have been advised by ALG that the Estate Released Claims would require a plaintiff to meet a high evidentiary burden under Irish law to successfully prosecute the Estate Released Claims. Furthermore, I have been advised by ALG that the Estate Released Claims could be brought by various parties but are typically brought by an Irish liquidator on behalf of the relevant Debtor(s) in connection with Irish liquidation proceedings, after he or she makes an assessment that there is a reasonable likelihood of success in pursuing such claims that warrants the time and expense of doing so. I have also been advised that even if the Irish liquidators identified a meritorious suit, he or she would require funding to pay for the fees and expenses associated with asserting and pursuing the Estate Released Claims. Other than the Fee Reserve Account, almost all of the funds remaining in the Debtors' Estates following the Effective Date will be the funds in the Winddown Account, and the Winddown Budget does not account for any significant litigation expenses. As detailed herein, because the WAC Lenders demanded a significant interim distribution of the Macquarie sale proceeds, there are no other funds in the Debtors' Estates to pay for the pursuit of the Estate Released Claims under Irish law in connection with an Irish liquidation proceeding.

43. *The Balance of Factors Favors the Debtors' Business Judgment*. The Estate Releases reflect a reasonable balance of the risk and expense of litigating the Estate Released Claims, on the one hand, against the benefits of resolving various disputes and issues on the other hand, and thereby removing what could otherwise be potentially substantial impediments to an orderly and efficient Winddown. This reasonable balance formed the foundation of the Debtors' business judgment in determining whether to release the Estate Released Claims. The Debtors benefit from the Estate Releases for several reasons. First, the

Debtors could not receive a release from holders of Claims, the WAC Lenders, and the WAC Agents, without agreeing to provide a mutual release. This mutual release reduces the extent of potential liabilities on the Debtors' respective balance sheets and allows for a more efficient winddown of such entities. Second, releasing the Debtors' Affiliated Parties on the terms in the Plan benefits the Debtors in a similar way by eliminating certain indemnification Claims that could be asserted by an Affiliated Party against the Debtors. Many, if not all, of the Debtors' current and former directors, managers, officers, and employees are entitled to indemnification and counsel has informed me that the organizational documents for substantially all of the Debtors (including all of the Debtors' primary Irish operating entities) contain indemnification provisions in favor of all current and former directors and officers. Third, the Estate Releases will eliminate the intercompany claims among the Debtors and their affiliates which will also reduce the claims to which the Debtors and their affiliates will be subject in the Winddown. Finally, after considering the results of this investigation and the practical difficulties of asserting the Estate Released Claims, coupled with the material benefits the Debtors and their creditors will receive from the Estate Releases, I believe the balance of factors favor the approval of the Estate Releases.

44. *Creditors Will Benefit From a More Efficient Winddown*. Importantly, many of the Affiliated Parties that the Estate Released Claims would be asserted against are former employees of the Debtors whose cooperation and assistance will be required under the Transition Services Agreement in preparing and executing the Winddown in accordance with the Winddown Budget. The Estate Releases are important mechanisms to avoid distractions to key former directors, officers, and employees who will be providing necessary assistance in the Winddown. The Debtors do not have employees and thus are wholly reliant on the former

employees of the Debtors (now employed by Macquarie) to collect, gather, and process the information necessary to conduct the Winddown. Specifically, the Debtors will need the former Waypoint legal and finance teams that are now employed by Macquarie to prepare final accounts for each Debtor, maintain compliance with mandatory chapter 11 reporting requirements, and shepherd each Debtor through its specific Winddown proceeding. Many of the same former employees already provided integral support through the chapter 11 process by voluntarily maintaining their positions on the Debtors' various boards, thereby saving the Debtors the cost of identifying and installing replacement directors. Importantly, several of these former employees have agreed to maintain their position on the Debtors' boards during the Winddown at favorable cost to the Debtors.

45. Critically, I understand from ALG that the types of Estate Released Claims (to the extent they exist) that would otherwise be asserted under Irish law could impose personal liability on the Debtors' Affiliated Parties. To the extent that these individuals are subjected to potential liability resulting from unreleased Claims, they would likely be distracted and disincentivized from providing services under the Transition Services Agreement and serving on the Debtors' boards during the Winddown while defending against such litigation. Accordingly, I believe that the approval of the Estate Releases increases the likelihood of a more efficient and effective Windown, the benefits of which will inure to the Debtors' creditors.

46. *All Parties In Interest Support the Estate Releases & the Plan*. I also believe the justification for providing the Estate Releases is reflected by the support of the WAC Lenders and the Debtors' other creditors who did not object to and voted overwhelmingly in favor of the Plan. The WAC Lenders (who I understand hold approximately 96% of the total claims by amount in these Chapter 11 Cases) will benefit from the cost savings described herein

because they have a reversionary interest in any remaining unused funds in the Winddown Account at the conclusion of the Winddown. No party in interest is objecting to the Plan or otherwise questioning the Debtors' business judgment, and the Plan remains fully consensual.

47. *The Estate Releases for Director, Officers and Other Affiliated Parties are Narrowly Tailored*. As described above, the Estate Releases contain a number of important limitations on their scope that are specifically tailored to the Debtors' former directors and officers. First, the Estate Releases only apply to claims that arose on or after June 1, 2018. Second, the Estate Releases only apply to the Debtors' former officers and directors who were in their roles as of the Petition Date. Third, Misconduct Claims and certain other claims against applicable D&O Policies are preserved. I believe the decision to give the Estate Releases is a valid exercise of the Debtors' business judgment because the limitations on the Estate Releases as set forth herein are appropriate, reasonable, and narrowly tailored to maximize value to the Debtors and their creditors.

48. The Estate Releases with respect to the Debtors' former directors and officers are further justified in light of the circumstances of these Chapter 11 Cases and the demands of the WAC Lenders for an accelerated asset sale under section 363 of the Bankruptcy Code. The Debtors' directors, managers, and officers actively participated in negotiations prepetition and during the course of the Chapter 11 Cases and worked tirelessly to maximize recoveries for the Debtors' creditors. These individuals continue to provide valuable services to the Debtors under the Transition Services Agreement and in their capacities as directors on the Debtors' boards of directors. The Debtors' directors and management team complied with each request of the WAC Lenders throughout these Chapter 11 Cases and even consented to two

highly unusual interim distributions prior to the Plan's effective date.[9] The Estate Releases as applied to the former directors and officers are reasonable after considering the scope and breadth of releases that they would have otherwise likely been entitled to had the Debtors sold their business pursuant to a chapter 11 plan; however, there were no bids for a plan sale structure.

49. *The Estate Releases are the Product of Arm's Length Bargaining with Sophisticated Parties*. The Estate Releases, along with the Bylaws and the Plan Administrator Contract, were heavily negotiated collectively between the Debtors and the WAC Lenders and are integral to the Plan and the Winddown. Following the conclusion of the good faith negotiations with the WAC Lenders, the Debtors agreed to narrow the Estate Releases and provide other limitations on their scope. Additionally, in exchange for the support for the Plan and the Estate Releases from the WAC Lenders, the Debtors agreed to create a Plan Oversight Board to oversee the Plan Administrator and to provide the Plan Oversight Board with oversight over certain decisions, including the prosecution or settlement of Causes of Action not subject to the Estate Releases. Each of the WAC Lenders is a sophisticated party who was represented by competent counsel during negotiations regarding the Plan and the Estate Releases. Furthermore, the Debtors had numerous discussions regarding the Estate Releases with counsel to the Office of the United States Trustee (the "**U.S. Trustee**").

50. Accepting Claimant Releases. The Plan also provides for the fully consensual release of certain Claims by certain holders of Claims and Interests (the "**Accepting Claimant Releases**") who voted in favor of the Plan. The Accepting Claimant

[9] Following entry of the Macquarie Sale Order, the Debtors distributed approximately $271 million to the WAC Lenders. The Debtors distributed an additional $41 million in previously escrowed sale proceeds to the WAC Lenders following the entry of the order approving the Debtors' Disclosure Statement. No WAC Lender ever requested that the Debtors use these funds to investigate potential claims or Causes of Action.

Releases were conspicuously disclosed in boldface type in the Plan, the Disclosure Statement, and on the Ballots. The Ballots clearly indicated that a vote in favor of the Plan constituted consent to the Accepting Claimant Releases, and that only holders of Claims who affirmatively voted in favor of the Plan would be providing an Accepting Claimant Release to the Released Parties. The consensual Accepting Claimant Release also are substantively warranted because, as discussed herein, the Released Parties have provided substantial value to the Debtors' Estates and the Accepting Claimant Release were integral to securing the confirmation of the Plan. The Accepting Claimant Release is wholly consensual and no party is being deemed to or otherwise forced to provide a release to the Released Parties.

51. Exculpation. Section 11.6 of the Plan also contains a release and exculpation for the Exculpated Parties[10] for any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for any Claim in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation, formulation, preparation, and pursuit of the Purchase Agreements, the Disclosure Statement, and the Plan; the funding and consummation of the Plan, and any related agreements, instruments, and other documents (in each case in furtherance of the foregoing); the solicitation of votes on the Plan; the making of distributions under the Plan; the occurrence of the Effective Date; negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed under the Plan, except for any actions determined by a final order to constitute willful misconduct or fraud (the "**Exculpation Provisions**"). The Exculpation Provisions provide

[10] Section 1.37 of the Plan defines "**Exculpated Parties**" as, collectively and in each case in their capacity as such, (i) the Debtors; (ii) the WAC Agents; (iii) the WAC Lenders that vote to accept the Plan; (iv) the Steering Committee; and (v) with respect to each of the foregoing (i) through (iv), their respective predecessors, successors and assigns, subsidiaries, and Affiliates, and its and their officers, directors, members, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, and other professionals, and such persons' respective executors, Estates, servants, and nominees who served in such roles on or after the Petition Date.

necessary and customary protections to the Exculpated Parties (whether fiduciaries of the Debtors' Estates or otherwise) whose efforts were instrumental in facilitating the sale of the Debtors' assets as a going concern, significant pay down of the Debtors' secured debt confirmation of the Plan and the conclusion of the Chapter 11 Cases. Based on my understanding of the Bankruptcy Code, I believe that the Exculpation Provisions are consistent with the Bankruptcy Code and complies with applicable case law.

52. Injunction. Section 11.7 of the Plan contains an injunction against (i) asserting claims or Causes of Action of the Debtors and (ii) third-parties from interfering with consummation and implementation of the Plan (the "**Injunction Provisions**"). Based on my understanding of the Bankruptcy Code, I believe the Injunction Provisions are consistent with the Bankruptcy Code and necessary to preserve the authority of the Debtors and the Plan Administrator and complete an efficient Winddown.

53. Bankruptcy Code Section 1129(a)(2). I believe that the Debtors comply with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126 of the Bankruptcy Code regarding disclosure and plan solicitation. It is my understanding that the Debtors' solicitation and tabulation of votes with respect to the Plan were proper and conformed with the Debtors' proposed solicitation procedures. The Debtors did not solicit acceptances of the Plan from any holder of a Claim or Interest prior to entry of the Disclosure Statement Order.

54. Bankruptcy Code Section 1129(a)(3). The Debtors have proposed the Plan in good faith and solely for the legitimate and honest purposes of maximizing the recoveries to their creditors following the sales of substantially all of their assets during the Chapter 11 Cases. As early as the end of 2016, the Debtors began to consider a number of strategic restructuring alternatives, and they ultimately determined that a sale of substantially all of their

assets pursuant to section 363 of the Bankruptcy Code, followed by a chapter 11 plan, would maximize the value of the Debtors' Estates and yield the greatest return for holders of Claims and Interests. Discussions and negotiations with parties in interest regarding the sale transactions and the resulting Plan were extensive. Ultimately, the Plan was finalized following a series of robust, good-faith negotiations that resulted in mutual accommodations among the Debtors, the WAC Lenders, and Macquarie. The support of the WAC Lenders, as well as the overwhelming acceptance of the Plan by the Impaired Classes eligible to vote, reflects the Plan's inherent fairness and the good-faith efforts of all of the parties involved to achieve the objectives of chapter 11 of the Bankruptcy Code. Manifestly, the Debtors have acted with the best intentions for their parties in interest in proposing the Plan before the Court. The Plan, including the substantive consolidations provisions therein, have been proposed for the legitimate purpose of winding down the Debtors' Estates and distributing any remaining assets in accordance with the priority scheme set forth in the Bankruptcy Code, thereby maximizing the returns available to the holders of Claims and Interests.

55. Bankruptcy Code Section 1129(a)(4). Section 2.2 of the Plan provides that all professional fees must be approved by the Court as are Allowed pursuant to final fee applications. The Plan provides that the Court shall retain jurisdiction "to hear and determine all Fee Claims." *See* Plan § 12.1(a)(viii).

56. Bankruptcy Code Section 1129(a)(5). In accordance with Sections 5.3 and 5.4 of the Plan, I will serve as the Plan Administrator for each of the Debtors while the Plan Oversight Board, comprised of three members, will be responsible for overseeing the Plan Administrator and his implementation and administration of the Plan. The Plan Administrator and the Plan Oversight Board's positions will commence on the Effective Date. In Exhibit A to

the Plan Supplement, the Debtors disclosed the Bylaws governing the Plan Oversight Board and its supervisory role. In Exhibit B to the Plan Supplement, the Debtors disclosed the identity and affiliations of the members of the Plan Oversight Board. In Exhibit C to the Plan Supplement, the Debtors disclosed the duties, power, rights, and compensation of the Plan Administrator. In Exhibit E to the Plan Supplement, the Debtors disclosed the directors, managers, and officers that will be in place as of the Effective Date on a Debtor-by-Debtor basis. Exhibit E to the Plan Supplement also noted the compensation to certain former employees of the Debtors in exchange for their continued services on the Debtors' various boards. In Exhibit F to the Plan Supplement, the Debtors disclosed the proposed directorship agreements for these former employees, which include the proposed fees that the former employees would earn for their services rendered. The appointment of the Plan Administrator, the Plan Oversight Board Members, and the initial directors of the Debtors is consistent with the interests of creditors, equity holders and with public policy.

57. Bankruptcy Code Section 1129(a)(6). The Plan does not provide for any rate changes by the Debtors.

58. Bankruptcy Code Section 1129(a)(7). For the reasons set forth in the *Declaration of Robert A. Del Genio in Support of Confirmation of Third Amended Chapter 11 Plan of Liquidation of Waypoint Leasing Holdings Ltd. and its Affiliated Debtors* filed contemporaneously herewith I believe that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

59. Bankruptcy Code Section 1129(a)(8). Holders of Claims or Interests in Classes 1A through 20A, 1B through 20B, and 1F through 20F are Unimpaired under the Plan. As evidenced by the Voting Certification, the Plan has been accepted by in excess of two-thirds

in amount and one-half in number of holders of Claims in the Impaired Classes entitled to vote on the Plan and who timely voted to accept or reject the Plan. Accordingly, as to such Classes, the requirements of section 1129(a)(8) of the Bankruptcy Code have been satisfied.

60. Holders of Claims and Interests in Classes 1D through 3D and 6D through 8D (General Unsecured Claims against the WAC Groups) and Class 19G (Holdings Interests) are not receiving or retaining any distribution or property on account of their Claims and Interests and, as such, are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

61. Bankruptcy Code Section 1129(a)(9). The Plan provides that each holder of an Allowed Administrative Expense Claim shall receive, in full and final satisfaction of such Claim, cash in an amount equal to such Allowed Administrative Expense Claim on, or as soon thereafter as is reasonably practicable, upon the later of the Effective Date and the first business day after the date that such Administrative Expense Claim becomes an Allowed Administrative Expense Claim. Similarly, Section 2.2 of the Plan provides that all entities seeking an award by the Bankruptcy Court of Fee Claims shall file their respective final applications for the allowance of compensation for services rendered and the reimbursement of expenses incurred by the date that is forty-five (45) days after the Effective Date, and shall be paid in full from the Fee Reserve Account, in such amounts as are Allowed by the Bankruptcy Court, upon the later of the Effective Date and the date upon which the order relating to any such Allowed Fee Claim is entered or upon such other terms as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Plan Administrator. Finally, Section 4.1 of the Plan provides that each holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction of such Claim, cash in an amount equal to such Claim payable on, or as soon thereafter as is

reasonably practicable, the later of the Effective Date and the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim. Accordingly, the Plan satisfies sections 1129(a)(9)(A) and 1129(a)(9)(B) of the Bankruptcy Code.

62. The Plan also satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code with respect to the treatment of Priority Tax Claims under section 507(a)(8) of the Bankruptcy Code. Pursuant to Section 2.3 of the Plan, each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for such Allowed Priority Tax Claim, cash in an amount equal to such Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date, the first business day after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, and the date such Allowed Priority Tax Claim becomes due and payable in the ordinary course of business.

63. Bankruptcy Code Section 1129(a)(10). I believe that the Plan satisfies Bankruptcy Code section 1129(a)(10). I have been informed that the holders of Claims entitled to vote on the Plan in the Impaired Classes have accepted the Plan.

64. Bankruptcy Code Section 1129(a)(11). The Debtors have analyzed their ability to fulfill their obligations under the Plan and have taken into consideration their estimated costs of administration. I believe the Debtors will have sufficient funds to administer and consummate the Plan, to winddown the Debtors' Estates, and to close the Chapter 11 Cases. Despite the increased Winddown Budget, I believe achieving the Winddown with the funds remaining in the Winddown Account is achievable. The Plan is straightforward and provides for the payment in full of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and Allowed Other Secured Claims, as well as for distributions to holders of Claims and the disposition of the Debtors' remaining assets. The

Plan provides various mechanisms for accomplishing all of these objectives, including the appointment of the Plan Administrator and the Plan Oversight Board. Accordingly, the Plan is workable and has more than a reasonable likelihood of success.

65. Bankruptcy Code Section 1129(a)(12). Section 2.4 of the Plan provides that on the Effective Date, and thereafter as may be required, such fees, together with interest, if any, pursuant to section 3717 of title 31 of the United States Code, shall be paid when due and payable by the Plan Administrator.

66. Bankruptcy Code Section 1129(a)(13). The Debtors do not have any obligations with respect to retiree benefits. Accordingly, section 1129(a)(13) is not applicable to the Plan.

67. Bankruptcy Code Section 1129(b). It is my understanding that, pursuant to section 1129(b) of the Bankruptcy Code, a plan may be confirmed notwithstanding the rejection or deemed rejection by a class of claims or interests so long as the plan is "fair and equitable" and it does not discriminate unfairly as to such non-accepting class. Based on my review of the Voting Certification, out of all of the Classes for which holders of Claims were entitled to vote to accept or reject the Plan, no such Classes voted to reject the Plan. Accordingly, the "cram down" provisions of section 1129(b) of the Bankruptcy Code are only applicable to holders of Claims and Interests in Classes 1D through 3D and 6D through 8D (General Unsecured Claims against the WAC Groups) and Class 19G (Holdings Interests).

68. Based upon my understanding of section 1129(b) of the Bankruptcy Code, my restructuring experience, and the terms of the Plan, I believe the Plan does not discriminate unfairly and is "fair and equitable" with respect to Classes 1D through 3D and 6D through 8D and Class 19G. I understand that, pursuant to the Plan, no holder of any Claim that is junior to

the Claims in Class Classes 1D through 3D, and 6D through 8D, and Class 19G will receive or retain any property under the Plan. The fact that Interests in Classes 1F through 18F and 20F (Other Interests in the Debtors) are unimpaired and being reinstated under the Plan is justified because (i) Impairment or cancellation of these Interests would (a) collapse the Debtors' carefully designed organizational structure, which was specifically created based on the Debtors' specific business and operational needs, and to comply with regulatory requirements and maintain tax efficiencies and (b) result in greater expense and cost for the Debtors' Estate during the Winddown; (ii) the value of such Interests was taken into account when determining the value of the distributions to be made to creditors; and (iii) the Debtors are winding down and will be liquidated and cancellation of these Interests would be detrimental to all stakeholders.

69. I understand the Plan properly classifies Classes 1D through 3D and 6D through 8D. Creditors in each of these Classes will not receive any distribution under the Plan and, therefore, such treatment is not discriminatory or unfair. Further, Interests in Class 19G are being cancelled pursuant to the Plan.

I, the undersigned, declare under penalty of perjury that the foregoing is true and correct.

Dated: July 22, 2019
New York, New York

/s/ William Transier
By: William Transier
Title: Independent Director