

1. Since being formed less than one month ago, the Committee has been concerned about the pace of these cases. The Debtors are currently in the middle of a marketing process and just earlier this week, the Debtors received multiple indications of interest for their assets. At the same time, the Debtors' DIP Lenders may decide not to pursue a sale and may instead reorganize the Debtors' existing debt. Against this backdrop of uncertainty, the Committee believes it is premature for the Debtors to seek approval of the Disclosure Statement Motion.

2. The productive, ongoing negotiations between the Debtors, DIP Lenders and Committee is yet another reason why it is premature for the Debtors to seek approval of the Disclosure Statement Motion. Over the past several weeks, the Committee has been engaged in extensive negotiations with the Debtors and DIP Lenders in an effort to reach a global resolution of issues. The Committee is optimistic that the parties are close to an agreement on terms, which would be reflected in an amended version *Chapter 11 Plan of Reorganization* (as amended from time to time, the "Plan") [Docket No. 21] and accompanying Disclosure Statement. Accordingly, soliciting the Disclosure Statement and Plan currently on file is all but destined to be a waste of estate resources. Assuming a settlement is reached, the Plan and Disclosure Statement will need to be updated to provide accurate information regarding the treatment of general unsecured creditors' claims, a crucial aspect currently missing from the Disclosure Statement. Under the circumstances, the Committee believes that a modest delay in approving the Disclosure Statement Motion would be prudent. Alternatively, the Committee would support approval of the Disclosure Statement Motion conditioned on the Debtors filing a supplemental disclosure statement—in a form acceptable to the Committee—once the parties reach agreement.

3. Of course, the Committee understands why the Debtors are seeking approval of the Disclosure Statement Motion at this early stage in the Chapter 11 cases. Under their Restructuring

Support Agreement, the Debtors must obtain an order approving the Disclosure Statement Motion no later than November 13. Nevertheless, the Debtors and DIP Lenders are committed to moving forward with a hearing on the Disclosure Statement Motion on November 6. The Committee believes that extra time could solve most (if not all) of the Committee's concerns about moving forward with the Disclosure Statement Motion at this time. Put simply, soliciting a Disclosure Statement and Plan that lacks adequate disclosure (i.e., it fails to adequately address treatment of general unsecured creditors) at this time makes little sense.

4. Thus, while the Committee continues to negotiate in good faith and remains optimistic about eventually supporting confirmation of the Debtors' Plan, it files this Limited Objection to make clear that the current version of the Disclosure Statement lacks sufficient information for unsecured creditors to make an informed judgment whether to accept or reject the plan. *See* 11 U.S.C. § 1125(a)(1). Specifically, the current Disclosure Statement lacks, among other things, basic information concerning (a) the estimated amount of allowed general unsecured claims against the various Debtor entities; (b) the percentage allocation of distributable value available to classes of general unsecured claims against such entities; (c) a current estimate of the total percentage recovery (or recovery ranges) for each of the foregoing classes of general unsecured claims; and (d) any information regarding a sale of the Debtors' assets.

5. The Committee looks forward to working with the Debtors and DIP Lenders to address its concerns through amendments or supplements to the Plan and Disclosure Statement. Out of an abundance of caution, the Committee expressly reserves all of its rights with respect to any such future amended or supplemental versions of the Plan and Disclosure Statement.

Dated: Houston, Texas
November 1, 2024

Respectfully Submitted,

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*Proposed Counsel to the Official Committee of
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Certificate of Service

I certify that on November 1, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

By: /s/ Jennifer Hardy
Jennifer J. Hardy