

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:) Chapter 11
)
ARMSTRONG ENERGY, INC., *et al.*,) Case No. 17-47541-659
)
Debtors.) (Jointly Administered)
)
) Hearing Date:
) **November 30, 2017 at 10:00 a.m.**
) **(prevailing Central Time)**
)
) Objection Deadline:
) **November 22, 2017**
)
) Hearing Location:
) **Courtroom 7 North**

**DEBTORS' MOTION FOR
ENTRY OF AN ORDER (I) APPROVING
NOTIFICATION AND HEARING PROCEDURES FOR CERTAIN
TRANSFERS OF AND DECLARATIONS OF WORTHLESSNESS WITH
RESPECT TO COMMON STOCK AND (II) GRANTING RELATED RELIEF**

Armstrong Energy, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"),¹ respectfully state the following in support of this motion:

Relief Requested

1. The Debtors seek entry of an order (the "Proposed Order"):² (a) approving certain notification and hearing procedures, substantially in the form of **Exhibit 1** attached hereto (the "Procedures"), related to certain transfers of, or declarations of worthlessness with respect

¹ A detailed description of the Debtors' businesses and the reasons for commencing the chapter 11 cases is set forth in the *Declaration of Alan Boyko of Armstrong Energy, Inc., in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 5] (the "First Day Declaration").

² A copy of the Proposed Order will be provided to the Notice Parties (as defined below) and made available on the Debtors' case information website at <https://www.donlinrecano.com/armstrong>.

to, Debtor Armstrong Energy Inc.'s common stock or any Beneficial Ownership³ therein (any such record or Beneficial Ownership of common stock, the "Common Stock"); (b) directing that any purchase, sale, other transfer of, or declaration of worthlessness with respect to Common Stock in violation of the Procedures shall be null and void *ab initio*; and (c) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Eastern District of Missouri (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Rule 81-9.01(B)(1) of the Local Rules of the United States District Court for the Eastern District of Missouri. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 362 and 541 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code") and Bankruptcy Rule 3002.

³ "Beneficial Ownership" will be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended (the "IRC"), and the Treasury Regulations thereunder (other than Treasury Regulations § 1.382-2T(h)(2)(i)(A)) and includes direct, indirect, and constructive ownership (e.g., (1) a holding company would be considered to beneficially own all equity securities owned by its subsidiaries, (2) a partner in a partnership would be considered to beneficially own its proportionate share of any equity securities owned by such partnership, (3) an individual and such individual's family members may be treated as one individual, (4) persons and entities acting in concert to make a coordinated acquisition of equity securities may be treated as a single entity, and (5) a holder would be considered to beneficially own equity securities that such holder has an Option to acquire). An "Option" to acquire stock includes all interests described in Treasury Regulations § 1.382-4(d)(9), including any contingent purchase right, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

Background

5. The Debtors produce low-chlorine, high-sulfur thermal coal from the Illinois Basin, with both surface and underground mines. The Debtors market their coal primarily to proximate and investment grade electric utility companies as fuel for their steam-powered generators. Based on 2016 production, the Debtors are the sixth largest producer in the Illinois Basin and the second largest in Western Kentucky.

6. On November 1, 2017 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On the Petition Date, the Court entered the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 86], in which the Court approved procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. On November 8, 2017, the Office of the United States Trustee for the Eastern District of Missouri (the "U.S. Trustee") formed the official committee of unsecured creditors (the "Creditors' Committee") pursuant to section 1102 of the Bankruptcy Code [Docket No. 145].

The Tax Attributes

7. Generally, a company generates net operating losses (the "NOLs," and together with certain other tax attributes, the "Tax Attributes") if the operating expenses it has incurred exceed the revenues it has earned during a single tax year. A company may apply, or "carry forward," NOLs to reduce future tax payments in a tax year or up to 20 years after the year in which the NOLs were generated (subject to certain conditions as discussed below).
26 U.S.C. §§ 39, 172.

8. The Debtors had federal NOLs of approximately \$235 million and state NOLs of approximately \$385 million as of December 31, 2016, for an approximate total of \$625 million of NOLs. These NOLs and certain other Tax Attributes may provide the potential for material future tax savings or other tax structuring possibilities in these chapter 11 cases. The Tax Attributes are of significant value to the Debtors and their estates because the Debtors can carry forward such Tax Attributes to offset future taxable income for up to 20 years, thereby reducing their future aggregate tax obligations. In addition, the Debtors may utilize such Tax Attributes to offset any taxable income generated by transactions consummated during these chapter 11 cases. The value of the Tax Attributes will inure to the benefit of all of the Debtors' stakeholders.

I. An "Ownership Change" May Negatively Affect the Debtors' Utilization of the Tax Attributes.

9. Section 382 of the IRC limits the amount of taxable income that can be offset by a corporation's NOLs and certain other Tax Attributes in taxable years (or a portion thereof) following an "ownership change." Generally, an "ownership change" occurs if the percentage (by value) of the stock of a corporation owned by one or more five-percent shareholders has increased by more than 50 percentage points over the lowest percentage of stock owned by such shareholders at any time during the three-year testing period ending on the date of the ownership change. For example, an ownership change would occur in the following situation:

An individual ("A") owns 50.1 percent of the stock of corporation XYZ. A sells her 50.1 percent interest to another individual ("B"), who owns 5 percent of XYZ's stock. Under section 382, an ownership change has occurred because B's interest in XYZ has increased more than 50 percentage points (from 5 percent to 55.1 percent) during the testing period. The same result would follow even if B owned no XYZ stock prior to the transaction with A because B both becomes a 5-percent shareholder and increases his ownership by more than 50 percentage points during the testing period.

10. An “ownership change” can also occur as a result of a “worthless stock deduction” claimed by any “50-percent shareholder.” A 50-percent shareholder is any person that has Beneficial Ownership of 50 percent or more of a corporation’s stock “at any time during the 3-year period ending on the last day of the taxable year” with respect to which the worthless stock deduction is claimed. I.R.C. § 382(g)(4)(D). If the 50-percent shareholder still owns the corporation’s stock at the end of the year, section 382 of the IRC essentially treats the person as newly purchasing the stock on the first day of the next taxable year. Notably, while the seminal case of *Prudential Lines*, is generally relied upon to support equity trading motions in general, the specific issue in *Prudential Lines* was, in fact, a worthless stock deduction. 928 F.2d 565 (2d Cir. 1991).

11. If an ownership change occurs, section 382 of the IRC limits the amount of a corporation’s future income that may be offset by its “pre-change losses” to an annual amount equal to the fair market value of all of the stock of the corporation prior to the ownership change multiplied by the long-term tax exempt rate (approximately 1.93 percent for ownership changes occurring in November 2017). Pre-change losses include the NOLs and certain other Tax Attributes. Once an NOL or other Tax Attribute is limited under section 382 of the IRC, its use is limited forever. Thus, certain transfers of Common Stock affected before the effective date of the Debtors’ emergence from chapter 11 protection may trigger an “ownership change” for IRC purposes, severely endangering the Debtors’ ability to utilize the Tax Attributes, and causing substantial damage to the Debtors’ estates. Likewise, if a 50-percent or greater shareholder of the Debtors were, for federal or state tax purposes, to treat its Common Stock as having become worthless prior to the Debtors emergence from chapter 11 protection, such a claim could trigger

an ownership change under section 382(g)(4)(D) of the IRC, thus inhibiting the Debtors' ability to use the NOLs.

12. Notably, the Debtors have limited the relief requested herein to the extent necessary to preserve estate value. Specifically, the Proposed Order will affect only: (a) holders of the equivalent of more than 984,745 shares of Common Stock⁴ (*i.e.*, 4.5 percent or more of outstanding Common Stock), and also parties who are interested in purchasing sufficient Common Stock to result in such party becoming a holder of 4.5 percent or more of outstanding Common Stock; and (b) any "50-percent shareholder" seeking to claim a worthless stock deduction.⁵

13. To maximize the use of the Tax Attributes and enhance recoveries for the Debtors' stakeholders, the Debtors seek limited relief that will enable them to closely monitor certain transfers of Common Stock and certain worthless stock deductions with respect to Common Stock, so as to be in a position to act expeditiously to prevent such transfers or worthlessness deductions, if necessary, with the purpose of preserving the Tax Attributes. By establishing and implementing such Procedures, the Debtors will be in a position to object to "ownership changes" that threaten their ability to preserve the value of their NOLs for the benefit of the estates.

⁴ Based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017.

⁵ A 50-percent shareholder for this purpose will have Beneficial Ownership of at least 10,946,612 shares of Common Stock, based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017, and shall include, for the avoidance of doubt, RRP.

II. Proposed Procedures for Transfers of or Declarations of Worthlessness with Respect to Common Stock.⁶

14. The Procedures are the mechanism by which the Debtors propose that they will monitor, and if necessary, object to certain transfers of Common Stock and declarations of worthlessness with respect to Common Stock to ensure preservation of the Tax Attributes. The Procedures, which are fully set forth in **Exhibit 1** attached hereto, are summarized below.⁷

Procedures for Transfers of Common Stock

- a. The Debtors will serve notice of the Order, as applicable, and the Procedures upon all parties-in-interest, including all registered holders of Common Stock, no later than two business days after entry of the Order, as applicable.⁸
- b. Any person or entity that has direct or indirect Beneficial Ownership of 4.5 percent or more of Common Stock must file with the Court and serve upon the Notice Parties a Declaration of Status as a Substantial Shareholder, substantially in the form annexed to the Procedures as **Exhibit 1A** on or before the later of (i) 30 calendar days after the date of the Notice of Order, and (ii) 10 calendar days after becoming a Substantial Shareholder; *provided* that Rhino Resource Partners Holdings LLC (“**RRPH**”) in its capacity as 97-percent equity owner shall be deemed a Substantial Shareholder and shall not be required to file a Declaration of Status as a Substantial Shareholder.

⁶ Capitalized terms used in this section but not otherwise defined herein have the meanings ascribed to them in the Procedures.

⁷ To the extent that this summary and the terms of the Procedures are inconsistent, the terms of the Procedures control.

⁸ The notice provisions in the Procedures satisfy due process and the strictures of Bankruptcy Rule 9014 by providing the relevant counterparties with notice and an opportunity to object and attend a hearing. *See, e.g., In re Villarreal*, 304 B.R. 882, 886 (B.A.P. 8th Cir. 2004) (notice under 9014 is sufficient if it provides “adequate notice and an opportunity for hearing”); *In re Atamian*, 368 B.R. 375, 378 (Bankr. D. Del. 2007) (“Rule 9014 does not require a hearing, only an opportunity for a hearing.” (citation omitted)), *aff’d*, No. 05-20040 (MFW), 2008 WL 853462 (D. Del. Mar. 31, 2008), 300 F. App’x 175 (3d Cir. 2008); *Flynn v. Eley (In re Colo. Mountain Cellars, Inc.)*, 226 B.R. 244, 246 (D. Colo. 1998) (noting that a hearing is not required to satisfy Bankruptcy Rule 9014).

- c. Prior to effectuating any transfer of Beneficial Ownership of Common Stock that would (i) affect the size of a Substantial Shareholder's Beneficial Ownership, or (ii) would result in another entity becoming or ceasing to be a Substantial Shareholder, the parties to such transaction must file with the Court and serve upon the Notice Parties, as applicable, a Declaration of Intent to Accumulate Common Stock, substantially in the form annexed to the Procedures as **Exhibit 1B**, or a Declaration of Intent to Transfer Common Stock, substantially in the form annexed to the Procedures as **Exhibit 1C**.
- i. The Debtors shall have 30 calendar days after receipt of a Declaration of Proposed Transfer to file with the Court and serve upon such person or entity an objection to the proposed transaction on the grounds that such claim might adversely affect the Debtors' ability to utilize the NOLs.
 - ii. If the Debtors timely object, the proposed transaction will remain ineffective pending a final and non-appealable order of the Court, unless the Debtors withdraw such objection.
 - iii. If the Debtors do not object, the proposed transaction may proceed solely as described in the Declaration of Proposed Transfer. To the extent that the Debtors receive an appropriate Declaration of Proposed Transfer and determine in their business judgment not to object, they shall provide notice of that decision as soon as is reasonably practicable to any statutory committee(s) appointed in these chapter 11 cases and to counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019 (the "Ad Hoc Group").

Procedures for Declarations of Worthlessness of Common Stock

- a. Any person or entity that currently is or becomes a 50-Percent Shareholder⁹ must file with the Court and serve upon the Notice Parties a Declaration of Status as a 50-Percent Shareholder, substantially in the form annexed to the Procedures as **Exhibit 1D**, on or before the later of (i) 30 calendar days after the date of the Notice of Order, and (ii) 10 calendar days after becoming a 50-Percent Shareholder; *provided* that RRPB in its capacity as 97-percent equity owner shall be deemed a 50-Percent Shareholder and shall not be required to file a Declaration of Status as a 50-Percent Shareholder.
- b. Prior to filing any federal or state tax return, or any amendment to such a return, that claims any deduction for worthlessness of Common Stock for a tax year ending before the Debtors' emergence from chapter 11 protection, such 50-Percent Shareholder must file with the Court and serve upon the Notice Parties a Declaration of Intent to Claim a Worthless Stock Deduction, substantially in the form annexed to the Procedures as **Exhibit 1E**.
 - i. The Debtors will have 30 calendar days after receipt of a Declaration of Intent to Claim a Worthless Stock Deduction to file with the Court and serve on such 50-Percent Shareholder an objection to any proposed claim of worthlessness described in the Declaration of Intent to Claim a Worthless Stock Deduction on the grounds that such claim might adversely affect the Debtors' ability to utilize their NOLs.
 - ii. If the Debtors timely object, the filing of the tax return or amendment thereto with such claim will not be permitted unless approved by a final and non-appealable order of the Court, unless the Debtors withdraw such objection.
 - iii. If the Debtors do not object within such 30-day period, the filing of the return or amendment with such claim will be permitted solely as described in the Declaration of Intent to Claim a Worthless Stock Deduction. Additional returns and amendments within the scope of this section must be the subject of additional notices as set forth herein, with an additional 30-day waiting period. To the extent that the Debtors receive an appropriate Declaration of Intent to Claim a Worthless Stock Deduction and determine in their business judgment not to object, they shall provide notice of that

⁹ For purposes of the Procedures, a "50-Percent Shareholder" is any person or entity that at any time since December 31, 2013, has Beneficial Ownership of 50 percent or more of the Common Stock of the Debtors (determined in accordance with section 382(g)(4)(D) of the IRC and the applicable Treasury Regulations thereunder, and shall include, for the avoidance of doubt, RRPB).

decision as soon as is reasonably practicable to any statutory committee(s) appointed in these chapter 11 cases and to counsel to the Ad Hoc Group.

Basis for Relief

15. Section 541 of the Bankruptcy Code provides that property of the estate comprises, among other things, “all legal or equitable interests of the debtor in property as of the commencement of the case.” 11 U.S.C. § 541(a)(1). The Tax Attributes are property of the Debtors’ estates. *See, e.g., In re Russell*, 927 F.2d 413, 417 (8th Cir. 1991) (“The property interest at issue here is . . . the right to carry forward the NOLs.”); *Hanrahan v. Walterman (In re Walterman Implement Inc.)*, No. 05-07284, 2006 Bankr. LEXIS 921, at *11–12 (Bankr. N.D. Iowa May 22, 2006) (holding that the “Debtor’s subchapter S status is property of the estate” and that revoking the subchapter S election was a violation of the automatic stay); *Official Comm. of Unsecured Creditors v. PSS S.S. Co. (In re Prudential Lines Inc.)*, 928 F.2d 565, 573 (2d Cir. 1991) (“We hold that the right to a carryforward attributable to its . . . NOL was property of [the debtor’s] bankruptcy estate.”), *cert. denied*, 502 U.S. 821 (1991); *In re Delta Air Lines, Inc.*, No. 05-17923 (PCB) (Bankr. S.D.N.Y. Dec. 19, 2005) (finding that NOLs are property of the debtors’ estates); *Official Comm. of Unsecured Creditors v. Forman (In re Forman Enters., Inc.)*, 273 B.R. 408, 415 (Bankr. W.D. Pa. 2002) (same). Moreover, section 362(a)(3) of the Bankruptcy Code stays “any act [of a person or entity] to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. § 362(a)(3). Accordingly, any act of a holder of a debtor’s equity securities that causes the termination or limits use of the NOLs violates the automatic stay. *See, e.g., Prudential Lines*, 928 F.2d at 574 (holding that causing the termination of or adversely affecting the value of a debtor’s NOL violates the automatic stay); *In re Phar-Mor, Inc.*, 152 B.R. 924, 927 (Bankr. N.D. Ohio 1993) (“[T]he sale of stock is prohibited by

§ 362(a)(3) [of the Bankruptcy Code] as an exercise of control over the NOL, which is property of the estate.”).

16. Implementation of the Procedures is necessary and appropriate to enforce the automatic stay and, critically, to preserve the value of the Tax Attributes for the benefit of the Debtors’ estates. Under section 382 of the IRC, certain transfers of or declarations of worthlessness with respect to Common Stock prior to the consummation of a chapter 11 plan could cause the termination or limit the use of the Tax Attributes. As stated above, the Debtors estimate that they have as much as approximately \$235 million of federal NOLs and \$385 million of state NOLs as of December 31, 2016, which translate to the potential for material future tax savings or other potential tax structuring opportunities in these chapter 11 cases. The termination or limitation of the Tax Attributes could be materially detrimental to all parties in interest. Thus, granting the relief requested herein will preserve the Debtors’ flexibility in operating their businesses during the pendency of these chapter 11 cases and also implementing an exit plan that makes full and efficient use of the Tax Attributes, maximizing the value of their estates.

17. Additionally, the Procedures do not bar all transfers of or declarations of worthlessness with respect to Common Stock. The Debtors seek to establish procedures only to monitor those types of transactions that would pose a serious risk under the ownership change test pursuant to section 382 of the IRC and to preserve the Debtors’ ability to seek substantive relief if it appears that a proposed transfer or declaration of worthlessness could jeopardize the Debtors’ utilization of the Tax Attributes. Because of the Tax Attributes’ importance to the Debtors’ restructuring, and consequently all parties in interest, the benefits of implementing the Procedures outweighs subjecting a limited number of transfers to the Procedures.

18. Courts in this district and others have routinely restricted transfers of equity interests and declarations of worthlessness with respect to a debtor's stock, or instituted notice procedures regarding proposed transfers and declarations of worthlessness, to protect a debtor against the possible loss of its tax attributes. *See, e.g., In re Payless Holdings LLC*, No. 17-42267 (KAS) (Bankr. E.D. Mo. May 9, 2017); *In re Peabody Energy Corp.*, No. 16-42529 (BSS) (Bankr. E.D. Mo. May. 17, 2016); *In re Noranda Aluminum*, No. 16-10083 (BSS) (Bankr. E.D. Mo. Mar. 15, 2016); *In re Arch Coal, Inc.*, No. 16-40120 (CER) (Bankr. E.D. Mo. Jan. 14, 2016); *In re Sabine Oil & Gas Corp.*, No. 15-11835 (SCC) (Bankr S.D.N.Y. Aug. 10, 2015).¹⁰

19. Accordingly, the Debtors respectfully request that the Court enter the Proposed Order approving the Procedures to protect the Debtors against the possible loss of the NOLs.

Reservation of Rights

20. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Order is intended or should be construed as: (a) an admission as to the validity of any particular claim against a Debtor entity; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this motion are valid,

¹⁰ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

21. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Notice

22. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the indenture trustee under the Debtors' 11.75% senior secured notes due 2019; (d) counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019; (e) counsel to Knight Hawk Holdings, LLC; (f) the United States Attorney's Office for the Eastern District of Missouri; (g) the Internal Revenue Service; (h) the Environmental Protection Agency; (i) the office of the attorneys general for the states in which the Debtors operate; (j) the Securities and Exchange Commission; (k) the registered holders of Common Stock; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

23. No prior request for the relief sought in this motion has been made to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested herein and such other relief as the Court may deem just and proper.

St. Louis, Missouri
Dated: November 9, 2017

/s/ Richard W. Engel, Jr.

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EXHIBIT 1

**Procedures for Transfers of and Declarations
of Worthlessness With Respect to Common Stock**

**PROCEDURES FOR TRANSFERS OF AND DECLARATIONS OF WORTHLESSNESS
WITH RESPECT TO COMMON STOCK**

The following procedures apply to transfers of Common Stock:¹

- a. Any entity (as defined in section 101(15) of the Bankruptcy Code) that currently is or becomes a Substantial Shareholder must file with the Court, and serve upon: (i) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (ii) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (iii) counsel to the indenture trustee under the Debtors' 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (iv) counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (v) co-counsel to ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (vi) counsel to any statutory committee appointed in these cases; and (vii) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (vii) all registered holders of Common Stock; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"), a declaration of such status, substantially in the form of **Exhibit 1A** attached to these Procedures (each, a "Declaration of Status as a Substantial Shareholder"), on or before the later of (1) 30 calendar days after the date of the Notice of Order, and (2) 10 calendar days after becoming a Substantial Shareholder; *provided* that RRPB in its capacity as 97-percent equity owner shall be deemed a Substantial Shareholder and shall not be required to file a Declaration of Status as a Substantial Shareholder.
- b. Prior to effectuating any transfer of Beneficial Ownership of Common Stock that would (i) result in an increase in the amount of Common Stock of which a Substantial Shareholder has Beneficial Ownership, or (ii) result in an entity or individual becoming a Substantial Shareholder, such Substantial Shareholder or potential Substantial Shareholder must file with the Court and serve upon the Notice Parties an advance written declaration of the intended transfer of Common Stock, substantially in the form of **Exhibit 1B** attached to these Procedures (each, a "Declaration of Intent to Accumulate Common Stock").

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

- c. Prior to effectuating any transfer of Beneficial Ownership of Common Stock that would (i) result in a decrease in the amount of Common Stock of which a Substantial Shareholder has Beneficial Ownership, or (ii) result in an entity or individual ceasing to be a Substantial Shareholder, such Substantial Shareholder must file with the Court and serve upon the Notice Parties an advance written declaration of the intended transfer of Common Stock, substantially in the form of **Exhibit 1C** attached to these Procedures (each, a “Declaration of Intent to Transfer Common Stock,” and together with a Declaration of Intent to Accumulate Common Stock, a “Declaration of Proposed Transfer”).
- d. The Debtors shall have 30 calendar days after receipt of a Declaration of Proposed Transfer to file with the Court and serve on such Substantial Shareholder or potential Substantial Shareholder an objection to any proposed transfer of Beneficial Ownership of Common Stock described in the Declaration of Proposed Transfer on the grounds that such transfer might adversely affect the Debtors’ ability to utilize the Tax Attributes. If the Debtors file an objection, such transaction will remain ineffective unless the Debtors withdraw such objection or such transaction is approved by a final and non-appealable order of the Court. If the Debtors do not object within such 30-day period, such transaction can proceed solely as set forth in the Declaration of Proposed Transfer. To the extent that the Debtors receive an appropriate Declaration of Proposed Transfer and determine in their business judgment not to object, they shall provide notice of that decision as soon as is reasonably practicable to any statutory committee(s) appointed in these chapter 11 cases and to counsel to the Ad Hoc Group. Further transactions within the scope of this paragraph are the subject of additional notices in accordance with these Procedures, with an additional 30-day waiting period for each Declaration of Proposed Transfer.
- e. For purposes of these Procedures: (i) a “Substantial Shareholder” is any entity or individual that has Beneficial Ownership of at least 984,745 shares of Common Stock (representing approximately 4.5 percent of all issued and outstanding shares of Common Stock²), including, for the avoidance of doubt, RRPH; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the IRC and the Treasury Regulations thereunder, and includes direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and

² Based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017.

ownership of equity securities that such holder has an Option to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

The following procedures apply to declarations of worthlessness of Common Stock:

- f. Any person or entity that currently is or becomes a 50-Percent Shareholder must file with the Court and serve upon the Notice Parties a declaration of such status, substantially in the form of **Exhibit 1D** attached to these Procedures (each, a “Declaration of Status as a 50-Percent Shareholder”), on or before the later of (i) 30 calendar days after the date of the Notice of Order, and (ii) 10 calendar days after becoming a 50-Percent Shareholder; *provided* that RRPH in its capacity as 97-percent equity owner shall be deemed a 50-Percent Shareholder and shall not be required to file a Declaration of Status as a 50-Percent Shareholder.
- g. Prior to filing any federal or state tax return or any amendment to such a return that claims any deduction for worthlessness of Common Stock for a tax year ending before the Debtors’ emergence from chapter 11 protection, such 50-Percent Shareholder must file with the Court and serve upon the Notice Parties an advance written declaration substantially in the form of **Exhibit 1E** attached to these Procedures (each, a “Declaration of Intent to Claim a Worthless Stock Deduction”) of the intended claim of worthlessness.
- h. The Debtors will have 30 calendar days after receipt of a Declaration of Intent to Claim a Worthless Stock Deduction to file with the Court and serve on such 50-Percent Shareholder an objection to any proposed claim of worthlessness described in the Declaration of Intent to Claim a Worthless Stock Deduction on the grounds that such claim might adversely affect the Debtors’ ability to utilize Tax Attributes. If the Debtors file an objection, the filing of the return or amendment with such claim remains ineffective unless the Debtors withdraw such objection or the Court approves such action by a final and non-appealable order, and the 50-Percent Shareholder shall be required to file an amended tax return revoking such proposed deduction. If the Debtors do not object within such 30-day period, the filing of the return or amendment with such claim will be permitted as set forth in the Declaration of Intent to Claim a Worthless Stock Deduction. To the extent that the Debtors receive an appropriate Declaration of Intent to Claim a Worthless Stock Deduction and determine in their business judgment not to object, they shall provide notice of that decision as soon as is reasonably practicable to any statutory committee(s) appointed in these chapter 11 cases and to counsel to the Ad Hoc Group. Additional returns or amendments within the scope of this paragraph are the subject of additional notices in accordance with these

Procedures as set forth herein, with an additional 30-day waiting period for each Declaration of Intent to Claim a Worthless Stock Deduction.

- i. For purposes of these procedures a “50-Percent Shareholder” is any person or entity that at any time since December 31, 2013, has Beneficial Ownership of 50 percent or more of the Common Stock (determined in accordance with section 382(g)(4)(D) of the IRC and the applicable Treasury Regulations thereunder), and shall include, for the avoidance of doubt, RRPB.

NOTICE PROCEDURES

The following notice procedures apply to these Procedures:

- a. No later than two business days following entry of the Order, the Debtors shall serve by overnight mail, postage prepaid, a notice substantially in the form of **Exhibit 1F** attached to these Procedures (the “Notice of Order”), on: (i) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (ii) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (iii) counsel to the indenture trustee under the Debtors’ 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (iv) counsel to the ad hoc group of holders of the Debtors’ 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (v) co-counsel to ad hoc group of holders of the Debtors’ 11.75% senior secured notes due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (vi) counsel to any statutory committee appointed in these cases; and (vii) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (viii) all registered holders of Common Stock; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002.
- b. All registered holders of Common Stock shall be required to serve the Notice of Order on any holder for whose benefit such registered holder holds such Common Stock down the chain of ownership for all such holders of Common Stock.

- c. Any entity, broker, or agent acting on such entity's or individual's behalf that sells in excess of 984,745 shares of Common Stock³ (*i.e.*, approximately 4.5 percent of all issued and outstanding shares of Common Stock) to another entity shall be required to serve a copy of the Notice of Order on such purchaser of such Common Stock or any broker or agent acting on such purchaser's behalf.
- d. As soon as is practicable following entry of the Order, the Debtors shall (i) submit a copy of the Notice of Order (modified for publication) for publication in the *Wall Street Journal* (national edition), and (ii) submit a copy of the Notice of Order (modified for publication) to Bloomberg Professional Service for potential publication by Bloomberg.
- e. To the extent confidential information is required in any declaration described in these Procedures, such confidential information may be filed and served in redacted form; *provided* that any such declarations served on the Debtors *shall not* be in redacted form. The Debtors shall keep all information provided in such declarations strictly confidential and shall not disclose the contents thereof to any person except to the extent (i) necessary to respond to a petition or objection filed with the Court, (ii) otherwise required by law, or (iii) that the information contained therein is already public; *provided* that the Debtors may disclose the contents thereof to their professional advisors, who shall keep all such declarations strictly confidential and shall not disclose the contents thereof to any other person or entity, subject to further Court order.

³ Based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017.

EXHIBIT 1A

Declaration of Status as a Substantial Shareholder

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)
) Case No. 17-47541-659
) CHAPTER 11
ARMSTRONG ENERGY, INC., *et al.*,)
) (Jointly Administered)
)
Debtors.)
)
)

DECLARATION OF STATUS AS A SUBSTANTIAL SHAREHOLDER¹

PLEASE TAKE NOTICE that the undersigned party is/has become a Substantial Shareholder with respect to the common stock of Armstrong Energy, Inc. or of any Beneficial Ownership therein (the “Common Stock”). Armstrong Energy, Inc. is a debtor and debtor in possession in Case No. 17-47541-659 pending in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

PLEASE TAKE FURTHER NOTICE that as of _____, 2017, the undersigned party currently has Beneficial Ownership of _____ shares of Common Stock. The following table sets forth the date(s) on which the undersigned party acquired Beneficial Ownership of such Common Stock:

¹ For purposes of this declaration: (i) a “Substantial Shareholder” is any entity or individual that has Beneficial Ownership (as defined below) of at least 984,745 shares of Common Stock (representing approximately 4.5 percent of 21,883,224 shares of Common Stock outstanding as of March 30, 2017) and shall include, for the avoidance of doubt, RRP; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder, and includes direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and ownership of equity securities that such holder has an Option (as defined below) to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

Number of Shares	Date Acquired

(Attach additional page(s) if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of the undersigned party are _____.

PLEASE TAKE FURTHER NOTICE that pursuant to the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the "Order"), this declaration (this "Declaration") is being filed with the Court and served upon: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (b) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (c) counsel to the indenture trustee under the Debtors' 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, New York 10154, Attn: Vadim J. Rubenstein; (d) counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (e) co-counsel to ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St.

Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (f) counsel to any statutory committee appointed in these cases; (g) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (h) all registered holders of Common Stock; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that, pursuant to 28 U.S.C. § 1746, under penalties of perjury, the undersigned party hereby declares that he or she has examined this Declaration and accompanying attachments (if any) and, to the best of his or her knowledge and belief, this Declaration and any attachments hereto are true, correct, and complete.

Respectfully submitted,

(Name of Substantial Shareholder)

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____

EXHIBIT 1B

Declaration of Intent to Accumulate Common Stock

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)
ARMSTRONG ENERGY, INC., *et al.*,) Case No. 17-47541-659
) CHAPTER 11
) (Jointly Administered)
Debtors.)
)
)

DECLARATION OF INTENT TO ACCUMULATE COMMON STOCK¹

PLEASE TAKE NOTICE that the undersigned party hereby provides notice of its intention to purchase, acquire, or otherwise accumulate (the “Proposed Transfer”) one or more shares of common stock of Armstrong Energy, Inc. or of any Beneficial Ownership therein (the “Common Stock”). Armstrong Energy, Inc. is a debtor and debtor in possession in Case No. 17-47541-659 pending in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

PLEASE TAKE FURTHER NOTICE that if applicable, on _____, 2017, the undersigned party filed a Declaration of Status as a Substantial Shareholder with the Court and served copies thereof as set forth therein.

¹ For purposes of this declaration: (i) a “Substantial Shareholder” is any entity or individual that has Beneficial Ownership (as defined below) of at least 984,745 shares of Common Stock (representing approximately 4.5 percent of 21,883,224 shares of Common Stock outstanding as of March 30, 2017) and shall include, for the avoidance of doubt, RRP; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder, and includes direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and ownership of equity securities that such holder has an Option (as defined below) to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently has Beneficial Ownership of _____ shares of Common Stock.

PLEASE TAKE FURTHER NOTICE that pursuant to the Proposed Transfer, the undersigned party proposes to purchase, acquire, or otherwise accumulate Beneficial Ownership of _____ shares of Common Stock or an Option with respect to _____ shares of Common Stock. If the Proposed Transfer is permitted to occur, the undersigned party will have Beneficial Ownership of _____ shares of Common Stock after such transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of the undersigned party are _____.

PLEASE TAKE FURTHER NOTICE that pursuant to the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the “Order”), this declaration (this “Declaration”) is being filed with the Court and served upon: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (b) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (c) counsel to the indenture trustee under the Debtors’ 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (d) counsel to the ad hoc group of holders of the Debtors’ 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (e) co-counsel to ad hoc group of holders of the Debtors’ 11.75% senior secured notes

due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (f) counsel to any statutory committee appointed in these cases; (g) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (h) all registered holders of Common Stock; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that pursuant to the Order, the undersigned party acknowledges that it is prohibited from consummating the Proposed Transfer unless and until the undersigned party complies with the Procedures set forth therein.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Declaration to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will remain ineffective unless such objection is withdrawn by the Debtors or the Court approves such transaction by a final and non-appealable order. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party purchasing, acquiring, or otherwise accumulating Beneficial Ownership of additional shares of Common Stock will each require an additional notice filed with the Court and served in the same manner as this Declaration.

PLEASE TAKE FURTHER NOTICE that pursuant to 28 U.S.C. § 1746, under penalties of perjury, the undersigned party hereby declares that he or she has examined this Declaration and accompanying attachments (if any) and, to the best of his or her knowledge and belief, this Declaration and any attachments hereto are true, correct, and complete.

Respectfully submitted,

(Name of Declarant)

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____

EXHIBIT 1C

Declaration of Intent to Transfer Common Stock

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)
ARMSTRONG ENERGY, INC., *et al.*,) Case No. 17-47541-659
) CHAPTER 11
) (Jointly Administered)
Debtors.)
)
)

DECLARATION OF INTENT TO TRANSFER COMMON STOCK¹

PLEASE TAKE NOTICE that the undersigned party hereby provides notice of its intention to sell, trade, or otherwise transfer (the “Proposed Transfer”) one or more shares of common stock of Armstrong Energy, Inc. or of any Beneficial Ownership therein (the “Common Stock”). Armstrong Energy, Inc. is a debtor and debtor in possession in Case No. 17-47541-659 pending in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

PLEASE TAKE FURTHER NOTICE that if applicable, on _____, 2017, the undersigned party filed a Declaration of Status as a Substantial Shareholder with the Court and served copies thereof as set forth therein.

¹ For purposes of this declaration: (i) a “Substantial Shareholder” is any entity or individual that has Beneficial Ownership (as defined below) of at least 984,745 shares of Common Stock (representing approximately 4.5 percent of 21,883,224 shares of Common Stock outstanding as of March 30, 2017) and shall include, for the avoidance of doubt, RRP; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder, and includes direct and indirect ownership (*e.g.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and ownership of equity securities that such holder has an Option (as defined below) to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently has Beneficial Ownership of _____ shares of Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, the undersigned party proposes to sell, trade, or otherwise transfer Beneficial Ownership of _____ shares of Common Stock or an Option with respect to _____ shares of Common Stock. If the Proposed Transfer is permitted to occur, the undersigned party will have Beneficial Ownership of _____ shares of Common Stock after such transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of the undersigned party are _____.

PLEASE TAKE FURTHER NOTICE that pursuant the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the "Order"), this declaration (this "Declaration") is being filed with the Court and served upon: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (b) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (c) counsel to the indenture trustee under the Debtors' 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (d) counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (e) co-counsel to ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri

63105, Attn: Christopher J. Lawhorn; (f) counsel to any statutory committee appointed in these cases; (g) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (h) all registered holders of Common Stock; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that pursuant to the Order, the undersigned party acknowledges that it is prohibited from consummating the Proposed Transfer unless and until the undersigned party complies with the Procedures set forth therein.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Declaration to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will remain ineffective unless the Debtors withdraw such objection or the Court approves such transaction by a final and non-appealable order. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by the undersigned party that may result in the undersigned party selling, trading, or otherwise transferring Beneficial Ownership of additional shares of Common Stock each will require an additional notice filed with the Court, and served in the same manner as this Declaration.

PLEASE TAKE FURTHER NOTICE that pursuant to 28 U.S.C. § 1746, under penalties of perjury, the undersigned party hereby declares that he or she has examined this Declaration and accompanying attachments (if any) and, to the best of his or her knowledge and belief, this Declaration and any attachments hereto are true, correct, and complete.

Respectfully submitted,

(Name of Declarant)

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____

EXHIBIT 1D

Declaration of Status as a 50-Percent Shareholder

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)
) Case No. 17-47541-659
) CHAPTER 11
ARMSTRONG ENERGY, INC., *et al.*,)
) (Jointly Administered)
)
 Debtors.)
)
)

DECLARATION OF STATUS AS A 50-PERCENT SHAREHOLDER¹

PLEASE TAKE NOTICE that the undersigned party is/has become a 50-Percent Shareholder with respect to the common stock of Armstrong Energy, Inc. or of any Beneficial Ownership therein (the “Common Stock”). Armstrong Energy, Inc. is a debtor and debtor in possession in Case No. 17-47541-659 pending in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

PLEASE TAKE FURTHER NOTICE that, as of _____, 2017, the undersigned party currently has Beneficial Ownership of _____ shares of Common Stock.

¹ For purposes of this declaration: (i) a “50-Percent Shareholder” is any person or entity that at any time since December 31, 2013, has Beneficial Ownership of 50 percent or more of the Common Stock of the Debtors (determined in accordance with section 382(g)(4)(D) of the IRC and the applicable Treasury Regulations thereunder) (a 50-Percent Shareholder for this purpose will have Beneficial Ownership (as defined below) of at least 10,946,612 shares of Common Stock, based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017) and shall include, for the avoidance of doubt, RRPB; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder, and includes direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and ownership of equity securities that such holder has an Option (as defined below) to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

The following table sets forth the date(s) on which the undersigned party acquired Beneficial Ownership of such Common Stock:

Number of Shares	Date Acquired

(Attach additional pages if necessary)

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of the undersigned party are _____.

PLEASE TAKE FURTHER NOTICE that pursuant to the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the “Order”), this declaration (this “Declaration”) is being filed with the Court and served upon: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (b) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (c) counsel to the indenture trustee under the Debtors’ 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (d) counsel to the ad hoc group of holders of the Debtors’ 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R.

McColm; (e) co-counsel to ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (f) counsel to any statutory committee appointed in these cases; (g) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (h) all registered holders of Common Stock; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that pursuant to 28 U.S.C. § 1746, under penalties of perjury, the undersigned party hereby declares that he or she has examined this Declaration and accompanying attachments (if any) and, to the best of his or her knowledge and belief, this Declaration and any attachments hereto are true, correct, and complete.

Respectfully submitted,

(Name of 50-Percent Shareholder)

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____

EXHIBIT 1E

Declaration of Intent to Claim a Worthless Stock Deduction

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)
ARMSTRONG ENERGY, INC., *et al.*,) Case No. 17-47541-659
) CHAPTER 11
) (Jointly Administered)
Debtors.)
)
)

DECLARATION OF INTENT TO CLAIM A WORTHLESS STOCK DEDUCTION¹

PLEASE TAKE NOTICE that the undersigned party hereby provides notice of its intention to claim a worthless stock deduction (the “Proposed Worthlessness Claim”) with respect to one or more shares of common stock of Armstrong Energy, Inc. or of any Beneficial Ownership therein (the “Common Stock”). Armstrong Energy, Inc. is a debtor and debtor in possession in Case No. 17-47541-659 pending in the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”).

¹ For purposes of this declaration: (i) a “50-Percent Shareholder” is any person or entity that at any time since December 31, 2013, has Beneficial Ownership of 50 percent or more of the Common Stock of the Debtors (determined in accordance with section 382(g)(4)(D) of the IRC and the applicable Treasury Regulations thereunder) (a 50-Percent Shareholder for this purpose will have Beneficial Ownership (as defined below) of at least 10,946,612 shares of Common Stock, based on approximately 21,883,224 shares of Common Stock outstanding as of March 30, 2017) and shall include, for the avoidance of doubt, RRPH; (ii) “Beneficial Ownership” shall be determined in accordance with the applicable rules of section 382 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder, and includes direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries and a partner in a partnership would be considered to own its proportionate share of any equity securities owned by such partnership), ownership by such holder’s family members and entities acting in concert with such holder to make a coordinated acquisition of equity securities, and ownership of equity securities that such holder has an Option (as defined below) to acquire; and (iii) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, call, stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether such interest is contingent or otherwise not currently exercisable.

PLEASE TAKE FURTHER NOTICE that, if applicable, on _____, 2017 the undersigned party filed a Declaration of Status as a 50-Percent Shareholder with the Court and served copies thereof as set forth therein.

PLEASE TAKE FURTHER NOTICE that the undersigned party currently has Beneficial Ownership of _____ shares of Common Stock.

PLEASE TAKE FURTHER NOTICE that pursuant to the Proposed Worthlessness Claim, the undersigned party proposes to declare for [federal/state] tax purposes that _____ shares of Common Stock became worthless during the tax year ending _____.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of the undersigned party are _____.

PLEASE TAKE FURTHER NOTICE that pursuant to the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the "Order"), this declaration (this "Declaration") is being filed with the Court and served upon: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: William Guerrieri and Travis M. Bayer; (b) proposed co-counsel to the Debtors, Armstrong Teasdale LLP, 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105, Attn: Richard W. Engel, Jr.; (c) counsel to the indenture trustee under the Debtors' 11.75% senior secured notes due 2019, Loeb & Loeb LLP, 345 Park Avenue, New York, NY 10154, Attn: Vadim J. Rubenstein; (d) counsel to the ad hoc group of holders of the Debtors' 11.75% senior secured notes due 2019, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann and Elizabeth R. McColm; (e) co-counsel to ad hoc group of holders of the Debtors' 11.75% senior secured notes

due 2019, Carmody MacDonald P.C., 120 South Central Avenue, Suite 1800, St. Louis, Missouri 63105, Attn: Christopher J. Lawhorn; (f) counsel to any statutory committee appointed in these cases; (g) Office of The United States Trustee, 1111 South 10th Street, Room 6353, St. Louis Missouri, 63102; (h) all registered holders of Common Stock; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Order, the undersigned party acknowledges that the Debtors have 30 calendar days after receipt of this Declaration to object to the Proposed Worthlessness Claim described herein. If the Debtors file an objection, such Proposed Worthlessness Claim will not be effective unless the Debtors withdraw such objection or the Court approves such action by a final and non-appealable order. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Worthlessness Claim may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further claims of worthlessness contemplated by the undersigned party each will require an additional notice filed with the Court to be served in the same manner as this Declaration, and are subject to an additional 30-day waiting period.

PLEASE TAKE FURTHER NOTICE that pursuant to 28 U.S.C. § 1746, under penalties of perjury, the undersigned party hereby declares that he or she has examined this Declaration and accompanying attachments (if any) and, to the best of his or her knowledge and belief, this Declaration and any attachments hereto are true, correct, and complete.

[Signature page follows]

Respectfully submitted,

(Name of Declarant)

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Dated: _____

EXHIBIT 1F

Notice of Order

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)
ARMSTRONG ENERGY, INC., *et al.*,) Case No. 17-47541-659
) CHAPTER 11
) (Jointly Administered)
Debtors.)
)
)

**NOTICE OF (A) DISCLOSURE PROCEDURES
APPLICABLE TO CERTAIN HOLDERS OF COMMON
STOCK AND (B) DISCLOSURE PROCEDURES FOR TRANSFERS OF AND
DECLARATIONS OF WORTHLESSNESS WITH RESPECT TO COMMON STOCK**

TO: ALL ENTITIES (AS DEFINED BY SECTION 101(15) OF THE BANKRUPTCY CODE) THAT MAY HOLD BENEFICIAL OWNERSHIP OF COMMON STOCK OF ARMSTRONG ENERGY, INC. (THE “COMMON STOCK”).

PLEASE TAKE NOTICE that on November 1, 2017 (the “Petition Date”), the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed petitions with the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”). Subject to certain exceptions, section 362 of the Bankruptcy Code operates as a stay of any act to obtain possession of or exercise control over property of or from the Debtors’ estates.

PLEASE TAKE FURTHER NOTICE that on November 9, 2017, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief* [Docket No. ___] (the “Motion”).

PLEASE TAKE FURTHER NOTICE that on [____], 2017, the Court entered the *Order (I) Approving Notification and Hearing Procedures for Certain Transfers of and*

Declarations of Worthlessness with Respect to Common Stock and (II) Granting Related Relief [Docket No. ___] (the “Order”) approving procedures for certain transfers of or declarations of worthlessness with respect to Common Stock, as set forth in **Exhibit 1** attached to the Motion (the “Procedures”).¹

PLEASE TAKE FURTHER NOTICE that pursuant to the Order, a Substantial Shareholder may not consummate any purchase, sale, or other transfer of Common Stock, or Beneficial Ownership of Common Stock, in violation of the Procedures, and any such transaction in violation of the Procedures shall be null and void *ab initio*.

PLEASE TAKE FURTHER NOTICE that pursuant to the Order, a 50-Percent Shareholder may not claim a worthless stock deduction with respect to Common Stock, or Beneficial Ownership of Common Stock, in violation of the Procedures, and any such deduction in violation of the Procedures shall be null and void *ab initio*, and the 50-Percent Shareholder shall be required to file an amended tax return revoking such proposed deduction.

PLEASE TAKE FURTHER NOTICE that pursuant to the Order, the Procedures shall apply to the holding and transfers of Common Stock, or any Beneficial Ownership of Common Stock, by a Substantial Shareholder or someone who may become a Substantial Shareholder.

PLEASE TAKE FURTHER NOTICE that upon the request of any entity, the claims, noticing, and solicitation agent for the Debtors, Donlin, Recano & Company, Inc., will provide a copy of the Order and a form of each of the declarations required to be filed by the Procedures in a reasonable period of time. Such Order and declarations are also available via PACER at <https://www.pacer.gov> for a fee, or by accessing the Debtors’ restructuring website at <https://www.donlinrecano.com/armstrong>.

¹ Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to such terms in the Motion or the Order, as applicable.

PLEASE TAKE FURTHER NOTICE that failure to follow the procedures set forth in the Order shall constitute a violation of, among other things, the automatic stay provisions of section 362 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that any prohibited purchase, sale, other transfer of, or declaration of worthlessness with respect to common stock, beneficial ownership thereof, or option with respect thereto in violation of the Order is prohibited and shall be null and void *ab initio* and may be punished by contempt or other sanctions imposed by the court.

PLEASE TAKE FURTHER NOTICE that the requirements set forth in the Order are in addition to the requirements of applicable law and do not excuse compliance therewith.

[Remainder of page intentionally left blank]

St. Louis, Missouri
Dated: [], 2017

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