

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

WESTMORELAND COAL COMPANY, *et al.*,¹

Debtors.

Chapter 11

Case No. 18-35672 (DRJ)

(Jointly Administered)

**MCKINSEY RECOVERY & TRANSFORMATION SERVICES U.S., LLC'S
FOURTH STATUS REPORT IN ACCORDANCE WITH ORDER ON JOINT MOTION
IN FURTHERANCE OF MEDIATION AGREEMENT [DKT. 1427]**

¹ Due to the large number of debtors in these chapter 11 cases, which are consolidated for procedural purposes only, a complete list of the debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the proposed claims and noticing agent in these chapter 11 cases at www.donlinrecano.com/westmoreland. Westmoreland Coal Company's service address for the purposes of these chapter 11 cases is 9540 South Maroon Circle, Suite 300, Englewood, Colorado 80112.

FOURTH STATUS REPORT

1. McKinsey Recovery & Transformation Services U.S., LLC (“RTS”) submits this fourth status report in accordance with the procedures set forth in the joint motion filed on February 20, 2019 by RTS and Westmoreland Coal Company and certain of its debtor affiliates, Dkt. 1422 (“Motion”), and so-ordered by this Court on February 21, 2019, Dkt. 1427, at ¶¶ 1, 3.

2. RTS agreed to “report back to the Court within two weeks of the entry of the order contemplated by this motion” and to “file a status report every two weeks thereafter.” *See* Mot. at ¶¶ 5(a) & 6.

3. On March 6, 2019, RTS filed its initial status report, naming D.J. (Jan) Baker as the expert that RTS planned to retain to work with it to develop a new disclosure protocol. *See* Dkt. 1586. Two weeks later, on March 20, 2019, RTS filed a second status report attaching Mr. Baker’s consulting agreement (“Second Status Report”). Dkt. 1626, Ex. A. On April 3, 2019, RTS filed a third status report (“Third Status Report”) informing the Court that it had retained Mr. Paul Singerman to serve as a “fresh eyes” expert to review the draft protocol. Dkt. 1686. RTS attached Mr. Singerman’s consulting agreement to the Third Status Report. *Id.* at Ex. B.

4. As described in the Second Status Report, Mr. Baker has now completed “conversations with between 15 and 20 respected individuals who are active in bankruptcy matters.” Dkt. 1626, ¶ 5. During these conversations, and consistent with the plan set forth in RTS’s Second Status Report, Mr. Baker collected information about how other professionals conform their disclosure practices to the requirements of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure. The results of these conversations will supplement the ongoing survey of industry disclosure practice that RTS has undertaken, and which RTS attached to its Third Status Report. Dkt. 1686, Ex. A.

5. As reported in RTS's Third Status Report, *see id.* at ¶ 7, Mr. Singerman is reviewing, among other things, background materials that RTS provided. As further anticipated in the Third Status Report, after Mr. Baker completed his interviews and aggregated feedback from them, he and Mr. Singerman met to discuss the draft protocol and review the interview feedback. *Id.* Mr. Baker made revisions to the protocol based on feedback from the industry interviews he conducted, as well as based on his own judgment and experience. Mr. Singerman then reviewed Mr. Baker's protocol draft and made further comments thereto, which he and Mr. Baker are in the process of reviewing and discussing. The two experts continue to engage in extensive discussions about the protocol and intend to circulate a draft of a revised protocol to RTS during the week of April 22, 2019. Mr. Baker will also seek input on the draft protocol from any interviewees who expressed interest in commenting on the draft and Mr. Baker and Mr. Singerman will together review those comments to determine whether additional revisions are appropriate.

6. As counsel for RTS reported at the conclusion of the April 16 hearing for approval of the settlement between RTS and the U.S. Trustee, RTS anticipates that it will file a proposed final version of the protocol by the end of May. RTS will then file updated disclosures in accordance with that protocol by July 3, 2019.

7. RTS will continue to update the Court regarding progress in its next status report.

Dated: April 17, 2019
Houston, TX

Respectfully submitted,

By: /s/ Faith E. Gay

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CERTIFICATE OF SERVICE

I hereby certify that on April 17, 2019, I caused the foregoing pleading to be filed with the Court and thereby served by the Court's CM/ECF noticing to all parties registered to receive electronic notice in this case.

/s/ Zack A. Clement