

**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
SEVENTH 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.

SEVENTH STATUS REPORT

1. McKinsey Recovery & Transformation Services U.S., LLC (“RTS”) submits this seventh 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 (“Mot.”), 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. Dkt. 1626, Ex. A. On April 3, 2019, RTS filed a 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. On April 17, 2019, RTS filed a fourth status report reporting that RTS anticipates filing a proposed final version of the disclosure protocol by the end of May and updated disclosures in accordance with that protocol by July 3, 2019. *See* Dkt. 1759, at ¶ 6. On May 1, 2019, RTS filed a fifth status report, and on May 15, 2019, it filed a sixth status report (“Sixth Status Report”) confirming these deadlines and describing the additional protocol drafting progress made by Mr. Baker and Mr. Singerman to date. *See* Dkt. 1803, at ¶¶ 4-5; Dkt. 1842, at ¶¶ 4-5.

4. As noted in the Sixth Status Report, on May 10, Mr. Baker and Mr. Singerman circulated an updated draft of the protocol, along with an exhibit providing a template for an in-

terested parties list, to certain industry professionals whom they had interviewed previously in connection with the drafting process. *Id.* at ¶ 5. Mr. Baker and Mr. Singerman received comments on the updated draft from a number of such industry professionals.

5. Mr. Baker and Mr. Singerman considered that feedback, made revisions to the protocol based on it and, on May 27, circulated a revised draft of the protocol to RTS, its counsel, and counsel to the debtors. This draft included, among other revisions, an updated interested parties list template as “Exhibit A” and a new proposed “Exhibit B” that provided a questionnaire template for proposed professionals in chapter 11 bankruptcy cases to obtain knowledge of possible connections to the debtors, the Office of the United States Trustee, and bankruptcy judges in the jurisdiction where the case is pending. Mr. Baker and Mr. Singerman convened separate follow-up conversations with counsel for RTS and counsel to the debtors on May 28 to discuss the changes resulting from the follow-up conversations with the interviewees.

6. On May 29, Mr. Baker and Mr. Singerman circulated a further revised draft protocol and exhibits to RTS, its counsel, and counsel to the debtors. At the request of Mr. Baker and Mr. Singerman, this draft was then shared with Judge Isgur, in his capacity as mediator, and the executive and local Offices of the United States Trustee.

7. Mr. Baker and Mr. Singerman will continue to refine the protocol and expect to have a final version ready for RTS to file with the Court by May 31, as anticipated in RTS’s previous status reports.

Dated: May 29, 2019
Houston, TX

Respectfully submitted,

By: /s/ Faith E. Gay

Faith E. Gay (*pro hac vice*)
Christine H. Chung (*pro hac vice*)
Jennifer M. Selendy (*pro hac vice*)
SELENDY & GAY PLLC
1290 Avenue of the Americas
New York, NY 10104
Telephone: (212) 390-9000
E-mail: fgay@selendygay.com
cchung@selendygay.com
jselendy@selendygay.com

Zack A. Clement
ZACK A. CLEMENT PLLC
3753 Drummond Street
Houston, TX 77025
Telephone: (832) 274-7629
E-mail: zack.clement@icloud.com

M. Natasha Labovitz (*pro hac vice*)
Erica Weisgerber (*pro hac vice*)
DEBEVOISE & PLIMPTON LLP
919 Third Avenue
New York, NY 10022
Telephone: (212) 909-6000
Email: nlabovitz@debevoise.com
eweisgerber@debevoise.com

Attorneys for RTS

CERTIFICATE OF SERVICE

I hereby certify that on May 29, 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