

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

<p>In re:</p> <p style="margin-left: 100px;">WESTMORELAND COAL COMPANY, <i>et al.</i>¹</p> <p style="margin-left: 100px;">Debtors.</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>Chapter 11</p> <p>Case No. 18-35672 (DRJ)</p> <p>(Jointly Administered)</p>
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DECLARATION OF ROBERT P. ESPOSITO IN SUPPORT OF DEBTORS’ TWENTY-THIRD OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM (AMENDED CLAIMS, INCORRECT DEBTOR CLAIMS, LATE-FILED CLAIM, RECLASSIFIED CLAIMS, MODIFIED CLAIMS, NO LIABILITY CONTRACT CLAIMS, AND SATISFIED CLAIM)

I, **ROBERT P. ESPOSITO**, hereby declare under penalty of perjury:

1. I am a Director of Alvarez & Marsal North America, LLC (“A&M”). A&M was retained by the above-captioned WLB Debtors² and the WMLP Debtors³ (collectively, with the WLB Debtors, the “Debtors”) as restructuring advisor in connection with these chapter 11 cases. I have more than ten (10) years of restructuring experience.

2. I am generally familiar with the Debtors’ day-to-day operations, financing arrangements, business affairs, and books and records that reflect, among other things, the Debtors’ liabilities and the amount thereof owed to their creditors as of the Petition Date. I have read the *Debtors’ Twenty-Third Omnibus Objection to Certain Proofs of Claim (Amended Claims,*

¹ Due to the large number of debtors in these chapter 11 cases, for which joint administration has been granted, 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 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.

² “WLB Debtors” means all Debtors except for Westmoreland Resources GP, LLC, Westmoreland Resource Partners, LP (“WMLP”), and WMLP’s subsidiaries (collectively with WMLP, the “WMLP Debtors”).

³ Specifically, the WMLP Debtors are: (a) WMLP; (b) Westmoreland Kemmerer, LLC; (c) Oxford Mining Company, LLC; (d) Harrison Resources, LLC; (e) Oxford Mining Company-Kentucky, LLC; (f) Daron Coal Company, LLC; (g) Oxford Conesville, LLC; and (h) Westmoreland Kemmerer Fee Coal Holdings, LLC.

Incorrect Debtor Claims, Late-Filed Claim, Reclassified Claims, Modified Claims, No Liability Contract Claims, and Satisfied Claim) (the “Objection”), filed contemporaneously herewith.⁴

3. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. In evaluating the Objected Claims, the Debtors and the Reviewing Parties have reviewed the Debtors’ books and records and the relevant proofs of claim, as well as the supporting documentation provided by each claimant, and have determined that each Amended Claim, Late-Filed Claim, No Liability Contract Claim, and Satisfied Claim should be disallowed and expunged, and each Incorrect Debtor Claim, Reclassified Claim, and Modified Claim should be modified and adjusted. As such, I believe that the disallowance and expungement of the Amended Claims, Late-Filed Claim, No Liability Contract Claims, and Satisfied Claim, and the modification of the Incorrect Debtor Claims, Reclassified Claims, and Modified Claims on the terms set forth in the Objection is appropriate.

Amended Claims

4. The Debtors have determined that each Amended Claim identified on **Exhibit A** of the Order under “Claim(s) To Be Disallowed” is amended and replaced by other proofs of claim filed by or on behalf of the same claimant with respect to the same liabilities. Failure to disallow and expunge the Amended Claims could potentially result in the relevant claimant receiving an unwarranted recovery against the Debtors to the detriment of other creditors. As such, I believe that disallowance and expungement of the Amended Claims on the terms set forth in the Objection and **Exhibit A** is appropriate.

⁴ Capitalized but undefined terms herein shall have the same meaning ascribed to them in the Objection.

Incorrect Debtor Claims

5. To the best of my knowledge, information, and belief, the Reviewing Parties determined that the Incorrect Debtor Claims, as filed, do not accurately reflect which Debtor entity may be liable for the underlying Proof of Claim. Instead, the Reviewing Parties believe that the Debtor entity against which the Proof of Claim is asserted should be modified from the Debtor identified in the column titled “Asserted” to the Debtor identified in the column titled “Modified” in the table provided in **Exhibit B** to the Order. The Debtor reflected in the “Modified” column is consistent with the Debtors’ books and records and/or with the information provided by the claimants. Failure to disallow and modify the Incorrect Debtor Claims could potentially result in the relevant claimant receiving an unwarranted recovery against the Debtors to the detriment of other creditors. As such, I believe that disallowance and modification of the Incorrect Debtor Claims on the terms set forth in the Objection and **Exhibit B** is appropriate.

Late-Filed Claim

6. To the best of my knowledge, information, and belief, the Reviewing Parties have thoroughly reviewed the Debtors’ books and records and the claims register and have determined that each Late-Filed Claim listed on **Exhibit C** to the Order was filed after the Bar Date. Failure to disallow and expunge the Late-Filed Claim could potentially result in the relevant claimant receiving an unwarranted recovery against the Debtors to the detriment of other creditors. As such, I believe that disallowance and expungement of the Late-Filed Claim on the terms set forth in the Objection and **Exhibit C** is appropriate.

Reclassified Claims

7. To the best of my knowledge, information, and belief, the Reviewing Parties determined that each Reclassified Claim listed on **Exhibit D** to the Order does not accurately reflect the correct classification for each Proof of Claim according to the Debtors’ books and

records. I understand that failure to reclassify the Reclassified Claim would result in the applicable claimants receiving recoveries they are not entitled to against the Debtors to the detriment of other similarly situated creditors. As such, I believe that the modification and reclassification of each Reclassified Claim on the terms set forth in the Objection and **Exhibit D** is appropriate.

Modified Claims

8. To the best of my knowledge, information, and belief, in evaluating each Modified Claim, the Reviewing Parties have thoroughly reviewed the Debtors' books and records along with each Modified Claim and any documents filed in support therewith, and have determined that each Modified Claim must be modified as further detailed in **Exhibit E**. Specifically, the Modified Claims listed on **Exhibit E** to the Order were: (i) paid in part during or prior to these chapter 11 cases in accordance with the Bankruptcy Code, any applicable rules, or a Court order; (ii) partially not reflected as liabilities in the Debtors' books and records and the Debtors' do not believe they are liable for such portions of the Modified Claims; (iii) for post-petition invoices that were satisfied in the ordinary course of business; or (iv) should be classified as liquidated rather than unliquidated as reflected in the Debtors' books and records. Failure to disallow and modify the Modified Claims would result in the applicable claimants receiving an unwarranted recovery against the Debtors to the detriment of other similarly situated creditors. As such, I believe that modification and adjustment of the Modified Claims on the terms set forth in the Objection and **Exhibit E** is appropriate.

No Liability Contract Claims

9. The Debtors have thoroughly reviewed their books and records and the claims register and have been unable to identify any amounts due and owing on account of the No Liability Contract Claims listed on **Exhibit F** to the proposed Order. I understand that the contracts forming the bases of the No Liability Contract Claims have been "assumed" by the Debtors and

that all amounts due and owing to each claimant on or before the Effective Date have been paid, released, or otherwise satisfied in full. Following the Reviewing Parties' investigation into the No Liability Contract Claims, the Reviewing Parties have determined that the Debtors are not liable for the amounts claimed in the No Liability Claims. The Debtors are not liable for satisfaction of each No Liability Contract Claim. If the No Liability Contract Claims are not disallowed and expunged in their entirety, the applicable claimant could receive an unwarranted recovery to the detriment of other creditors. As such, I believe the expungement and disallowance of the No Liability Contract Claims identified on **Exhibit F** on the terms set forth in the Objection is appropriate.

Satisfied Claim

10. To the best of my knowledge, information, and belief, the Reviewing Parties have thoroughly reviewed the Debtors' books and records and the claims register and determined that the Satisfied Claim identified on **Exhibit G** to the Order was satisfied or released during these chapter 11 cases in accordance with the Bankruptcy Code, any applicable rules, or a Court order. Failure to disallow and expunge the Satisfied Claim would result in the applicable claimants receiving an unwarranted recovery against the Debtors to the detriment of other similarly situated creditors. As such, I believe that disallowance and expungement of the Satisfied Claim on the terms set forth in the Objection and **Exhibit G** is appropriate

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information and belief.

Dated: July 23, 2019

/s/ Robert P. Esposito

Robert P. Esposito

Alvarez & Marsal North America, LLC