

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**VERIFIED STATEMENT OF THE
AD HOC GROUP OF GENERAL OBLIGATION
BONDHOLDERS PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to these Title III cases by Section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 48 U.S.C. § 2170, this verified statement (this “Statement”) is submitted by certain holders (the “Ad Hoc Group of General Obligation Bondholders”)² of bonds issued or guaranteed by the Commonwealth of Puerto Rico (the “General Obligation Bonds”).

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² The Ad Hoc Group of General Obligation Bondholders consists of: (i) Aurelius Capital Management, LP, on behalf of its managed entities; (ii) Autonomy Capital (Jersey) LP, on behalf of certain of its affiliated investment funds; (iii) FCO Advisors LP, on behalf of certain of the funds and accounts it manages; (iv) Franklin Mutual Advisers LLC, on behalf of certain of the funds and accounts it manages; (v) Monarch Alternative Capital LP, on behalf of certain of the funds and accounts it manages; (vi) Senator Investment Group LP, on behalf of certain funds under management; and (vii) Stone Lion L.P., on behalf of its funds and accounts. The Ad Hoc Group of General Obligation Bondholders does not assume any fiduciary or other duties to any other creditor or person.

In support of this Statement, the Ad Hoc Group of General Obligation Bondholders respectfully states as follows:

1. In or around July 2015, certain members of the Ad Hoc Group of General Obligation Bondholders engaged Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul, Weiss”) and Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP (“Robbins, Russell”) to represent their interests as holders of General Obligation Bonds. From time to time thereafter, certain additional holders of General Obligation Bonds have joined the Ad Hoc Group of General Obligation Bondholders. In October 2016, the Ad Hoc Group of General Obligation Bondholders retained Jiménez, Graffam & Lausell, as its Puerto Rico counsel (together with Paul, Weiss and Robbins, Russell, “Counsel”)

2. As of the date of this Statement, Counsel represents only the Ad Hoc Group of General Obligation Bondholders and does not represent or purport to represent any other entities with respect to the Debtors’ Title III cases. In addition, each member of the Ad Hoc Group of General Obligation Bondholders (a) does not assume any fiduciary or other duties to any other creditor or person and (b) does not purport to act, represent or speak on behalf of any other entities in connection with the Debtors’ Title III cases.

3. The members of the Ad Hoc Group of General Obligation Bondholders hold disclosable economic interests, or act as investment advisors or managers to funds, entities and/or accounts or their respective affiliates that hold disclosable economic interests in relation to the Debtors. In accordance with Bankruptcy Rule 2019 and based upon information provided to Counsel by each member of the Ad Hoc Group of General Obligation Bondholders, attached hereto as Exhibit A is a list of the names, addresses and nature and amount of each disclosable

economic interest of each present member of the Ad Hoc Group of General Obligation Bondholders.³

4. Nothing contained in this Statement (or Exhibit A hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in the Debtors held by any member of the Ad Hoc Group of General Obligation Bondholders, its affiliates or any other entity, or (b) an admission with respect to any fact or legal theory. Nothing herein should be construed as a limitation upon, or waiver of, any rights of any member of the Ad Hoc Group of General Obligation Bondholders to assert, file and/or amend any proof of claim in accordance with applicable law and any orders entered in these cases.

5. Additional holders of General Obligation Bonds may become members of the Ad Hoc Group of General Obligation Bondholders, and certain members of the Ad Hoc Group of General Obligation Bondholders may cease to be members in the future. Counsel reserves the right to amend or supplement this Statement as necessary for that or any other reason in accordance with Bankruptcy Rule 2019.

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³ Individuals associated with members of the Ad Hoc Group of General Obligation Bondholders may own debt of the Debtors in their individual capacities, but Counsel does not represent such individuals in such capacities.

6. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

Dated: San Juan, Puerto Rico
July 13, 2017

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GARRISON LLP**

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Counsel to the Ad Hoc Group of General Obligation Bondholders

EXHIBIT A

Names, Addresses and Disclosable Economic Interests of the Members of the Ad Hoc Group of General Obligation Bondholders¹

Name of Creditor²	Address	Nature and Amount of Disclosable Economic Interest
Aurelius Capital Management, LP	535 Madison Avenue New York, NY 10022	<ul style="list-style-type: none"> • \$466,350,000 in General Obligation Bonds • \$4,592,000 in General Obligation Bonds (insured by monoline insurer) • \$2,475,000 in bonds issued by the Puerto Rico Highways and Transportation Authority (insured by monoline insurer)
Autonomy Capital (Jersey) LP	7-9 Conway Street Conway House, 2 nd Floor Saint Helier, Jersey JE2 3NT	<ul style="list-style-type: none"> • \$937,585,000 in General Obligation Bonds
FCO Advisors LP	745 Fifth Avenue 14 th Floor New York, NY 10151	<ul style="list-style-type: none"> • \$419,000,000 in General Obligation Bonds • \$2,985,000 in General Obligation Bonds (insured by monoline insurer) • \$10,155,000 in subordinate bonds issued by the Puerto Rico Sales Tax Financing Corporation
Franklin Mutual Advisers LLC	101 John F. Kennedy Parkway Short Hills, NJ 07078	<ul style="list-style-type: none"> • \$294,052,000 in General Obligation Bonds

¹ To the best of Counsel's knowledge, the information included herein is accurate as of July 12, 2017. The amounts set forth herein include only outstanding principal and do not include overdue interest, interest on overdue interest and principal, and accrued interest or other amounts that may be owing under the applicable debt documents and laws. In addition, the amounts set forth herein do not include any disclosable economic interests that are subject to pending trades or other transfers that have not settled or otherwise been closed as of July 12, 2017.

² Each entity on this Exhibit A holds disclosable economic interests, or acts as investment advisor or manager to funds, entities and/or accounts or their respective subsidiaries that hold disclosable economic interests, in relation to the Debtors.

Monarch Alternative Capital LP	535 Madison Avenue 26 th Floor New York, NY 10022	<ul style="list-style-type: none"> • \$549,200,000 in General Obligation Bonds • \$35,900,000 in General Obligation Bonds (insured by monoline insurer) • \$21,500,000 in bonds issued by the Puerto Rico Highways and Transportation Authority (insured by monoline insurer)
Senator Investment Group LP	510 Madison Avenue 28 th Floor New York, NY 10022	<ul style="list-style-type: none"> • \$254,740,000 in General Obligation Bonds
Stone Lion L.P.	555 Fifth Avenue 18 th Floor New York, NY 10017	<ul style="list-style-type: none"> • \$307,192,000 in General Obligation Bonds • \$2,845,000 in General Obligation Bonds (insured by monoline insurer) • \$14,425,000 in bonds issued by the Puerto Rico Highways and Transportation Authority • \$915,000 in bonds issued by the Puerto Rico Highways and Transportation Authority (insured by monoline insurer)