

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD OF PUERTO RICO,

PROMESA
Title III

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.,

No. 17 BK 3283-LTS
(Jointly Administered)

Debtors.

**INFORMATIVE MOTION, RESERVATION OF RIGHTS AND NOTICE OF REQUEST
TO BE HEARD AT AUGUST 9, 2017, HEARING**

The undersigned, counsel to the QTCB Noteholder Group,¹ pursuant to the Court's Order entered on August 1, 2017 [ECF No. 837] (the "Order"), hereby submit this Informative Motion, Reservation of Rights and Request to be Heard at the August 9, 2017, Hearing (the "Motion"). In support of the Motion, the undersigned represent as follows:

1. On May 3, 2017, the Oversight Board, on behalf of the Debtor, issued a restructuring certification pursuant to sections 104(j) and 206 of PROMESA and commenced a case under Title III of PROMESA on behalf of the Commonwealth of Puerto Rico ("Commonwealth"). On May 5, 2017, the Oversight Board commenced a Title III case on behalf of the Puerto Rico Sales Tax Financing Corporation ("COFINA"), and on May 21, 2017, commenced Title III cases on behalf of the Puerto Rico Highways and Transportation Authority ("HTA") and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS"). The Title III cases of the Commonwealth, COFINA, HTA and ERS (collectively the "Title III Cases") are jointly administered.

¹ The QTCB Noteholder Group shall have the same meaning as set forth in Notice of Appearance and Request for Notice [ECF No. 134].

2. On July 26, 2017, the Court issued an order which proposed certain amendments to the Case Management Order [ECF No. 262] (the “2019 Order”), including an amendment providing that “Federal Rule of Bankruptcy Procedure 2019 is applicable to these Title III Cases” and requiring certain groups, committees and entities as described in Rule 2019(b)(1) (a “Rule 2019(b) Group”) to file “a verified statement that complies with the disclosure requirements enumerated by Federal Rule of Bankruptcy Procedure 2019” (the “Proposed 2019 Amendment”). The Court further requested that responses or objections to the Proposed 2019 Amendment should be filed in the form of an information motion no later than August 2, 2017.

3. On August 2, 2017, the Official Committee of Unsecured Creditors (the “Committee”) submitted an Informative Motion Regarding Applicability of Bankruptcy Rule 2019 to the Title III Cases and Further Proposed Amendment to Case Management Order [ECF No. 850] (the “Committee Response”).

4. The Committee Response requests the Court to expand the requirements of Rule 2019(b) well beyond the requirements established by Congress made applicable to the Title III Cases by PROMESA. Specifically, the Committee Response seeks expansion of disclosure to include all economic interests held by all “affiliates” of all group members related to all debtors, regardless of whether an ad hoc group has taken a position in such case—and further expanded to include the disclosure of all claims against monoline insurers. *See* Committee Response at ¶ 3.

5. The Committee’s proposed “modification” is overreaching and is procedurally and substantively improper. The statutory requirement of Rule 2019 as clearly set out in the 2019 Order is sufficient to create the transparency and disclosure that are important in these Title III Cases. If the Committee wants to challenge the sufficiency of a group’s disclosure under

Rule 2019, they may. Here, instead, the Committee seeks to challenge the sufficiency of Rule 2019 itself. Moreover, the extra-statutory expansion proposed by the Committee would place an untenable burden on group members to require all affiliates worldwide to track and report to the group member, by individual CUSIP, each investment held by any of the myriad funds owned or managed by such affiliates across the globe. And not merely economic interests related to the Title III Cases but any claims against the relevant monoline insurers in any other investments. The mechanics and costs of accomplishing such disclosure on an ongoing basis would overwhelm group members with global affiliates.

6. Rule 2019 was formulated to balance the interests of many parties in the bankruptcy process. In striking the appropriate balance required to ensure transparency of the interests a group holds in a debtor, Rule 2019 is the standard. The Committee's proposal skews that balance, and the QTCB Noteholder Group therefore reserves any and all rights with respect to the Committee's request and its Rule 2019 disclosure obligations.

7. Accordingly, the undersigned counsel will attend the August 9, 2017, hearing at 9:30 a.m. (Prevailing Eastern Time) in Courtroom 3 of the United States District Court for the District of Puerto Rico and respectfully request the right to be heard with respect to: (a) the Order and the Committee Response; and (b) any issues that the Court or other parties may raise during the hearing.

Dated: August 7, 2017

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I HEREBY CERTIFY that on August 7, 2017, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send automatic notifications of such filing to all attorneys of record.

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