

General FAQs about the Commonwealth of Puerto Rico’s Title III Cases

What is Title III?

- Title III refers to the section of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) that covers court-supervised restructurings of United States territories and their covered instrumentalities. A territory that files for protection under Title III is allowed to continue to operate and provide services uninterrupted “in the ordinary course.”

What entities have filed for protection under Title III?

- Commencing on May 3, 2017, and on certain subsequent dates, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) filed petitions for relief under Title III of PROMESA in the District Court for the District of Puerto Rico (the “Court”) for the following entities:
 - The Commonwealth of Puerto Rico (the “Commonwealth”);
 - The Puerto Rico Sales Tax Financing Corporation (“COFINA”);
 - The Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”);
 - The Puerto Rico Highways and Transportation Authority (“HTA”); and
 - The Puerto Rico Electric Power Authority (“PREPA”).
- These five cases are being jointly administered under the lead Case No. 17 BK 3283-LTS.
- Each of the above entities is referred to as a “Debtor” or collectively as the “Debtors.”

What happens during a Title III case?

- Upon the filing of a Title III case, an “automatic stay” is imposed that prevents creditors from taking actions to collect money and debts owed by the Debtors. The automatic stay provides the Debtors with a breathing spell to allow them to negotiate with creditors.
- A major benefit of Title III is that it permits daily operations to continue. This means, among other things, that:
 - Puerto Rico’s government facilities will stay open;
 - Puerto Rico’s government employees will continue to receive their regular wages and benefits; and
 - Puerto Rico’s government services will continue uninterrupted.
- The Government of Puerto Rico (the “Government”) anticipates that the Debtors will be able to reduce their debts through the adjustment process contemplated in PROMESA. This Court-supervised process will enable the Debtors to adjust their debts while continuing operations in the ordinary course.

What is a Creditors’ Committee?

- On June 15, 2017, the United States Trustee filed a notice appointing an official committee of unsecured creditors for the Commonwealth of Puerto Rico (the “Creditors’ Committee”), and on August 25, 2017, the United States Trustee filed an amended notice appointing the Creditors’ Committee as official committee of unsecured creditors for ERS, HTA, and PREPA. The Creditors’ Committee is comprised of nine (9) members.

- The Creditors' Committee is a group of general unsecured creditors appointed to represent, in a fiduciary capacity, the interests of all general unsecured creditors of the Commonwealth. The Creditors' Committee retained (i) Paul Hastings LLP to act as its counsel, (ii) O'Neill & Gilmore PSC to act as its Puerto Rico counsel, and (iii) Zolfo Cooper, LLC to act as its financial advisor.
- If you have any questions for the Creditors' Committee you may contact the Creditors' Committee at 1-212-318-6391 and someone will return your call as soon as reasonably possible, or after August 15, 2017, the following Creditors' Committee websites will be available: www.PRcreditorscommittee.com and www.comitedeacredoresdePR.com and will contain, among other things, updates from the Creditors' Committee as well as an inquiry form.
- At this time, the United States Trustee has not appointed a creditors' committee of unsecured creditors' for any of the other Debtors.

When are the Debtors expecting to emerge from Title III?

- It is difficult to predict how long the Debtors will be in Title III as it depends upon many factors. The Government is working to move the Title III process forward as promptly as reasonably possible and is committed to keeping you apprised of developments as they occur. As this is an unprecedented restructuring, and other large restructurings have taken many months (and in some cases years) to complete, this could also be the case here.

Has the Oversight Board filed a Plan of Adjustment?

- To emerge from Title III, each of the Debtors must file a plan of adjustment that will provide for the classification and adjustment of the Debtor's debts. Once confirmed by the Court, the plan of adjustment will be binding on the Debtor's creditors.
- Pursuant to PROMESA section 312, only the Oversight Board may file a plan of adjustment of the debts of any Debtor. The Oversight Board has not filed a plan of adjustment at this time.

I have additional questions about the restructuring. How can I obtain more information?

- The Government has set up an information line to answer questions about the Title III cases. The information line can be reached by calling (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers). English and Spanish speaking operators are available.
- Court filings and other information related to the restructuring proceedings are available at the following website: <https://cases.primeclerk.com/puertorico>.