

**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

Case No. 17 BK 3283-LTS

(Jointly Administered)

**FIRST SUPPLEMENTAL VERIFIED STATEMENT
OF THE COMMONWEALTH BONDHOLDER GROUP
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rule 2019”), made applicable to the Title III cases (collectively, the “Title III Cases”) of the Commonwealth of Puerto Rico (the “Commonwealth”) and the other above-captioned debtors (collectively, the “Title III Debtors”) by Section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 48 U.S.C. § 2170, and in accordance with the *Eighth Amended Notice, Case Management and Administrative Procedures* [ECF No. 4866-1] (the “Amended Case Management Procedures”), this supplemental verified statement (this “First Supplemental Statement”) is submitted by certain holders (each,

¹ The Title III Debtors, along with each Title III Debtor’s respective Title III Case number and the last four digits of each Title III Debtor’s federal tax identification number, as applicable, are (i) the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) the Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) the Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) the 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); and (v) the Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as bankruptcy case numbers due to software limitations).

a “Member” and, together, the “Commonwealth Bondholder Group”² of certain bonds issued or guaranteed by the Commonwealth (collectively, “General Obligation Bonds”).

In support of this First Supplemental Statement, the Commonwealth Bondholder Group respectfully states as follows:

1. In October 2018, the Commonwealth Bondholder Group engaged Davis Polk & Wardwell LLP (“Counsel”) to represent the Commonwealth Bondholder Group with respect to its Members’ holdings of General Obligation Bonds in connection with the Title III Cases.³ Counsel also separately represents Bonistas del Patio, Inc. (“Bonistas”), a nonprofit organization advocating for the interests of on-island bondholders, in connection with the Court-ordered mediation of the Title III Cases. Counsel does not represent or purport to represent any other entity or entities in connection with the Title III Cases. The Commonwealth Bondholder Group does not claim or purport to represent any other entity and undertakes no duties or obligations to any entity.

2. On January 11, 2019, Counsel submitted the *Verified Statement of the Commonwealth Bondholder Group Pursuant to Federal Rule of Bankruptcy Procedure 2019* [ECF No. 4743] (the “Initial Verified Statement”). Counsel submits this First Supplemental Statement to update information regarding the Commonwealth Bondholder Group’s membership, legal representation and the disclosable economic interests currently held by its Members in accordance with the Amended Case Management Procedures.

² The Commonwealth Bondholder Group consists of: (i) Brigade Capital Management, LP, on behalf of its funds and accounts; (ii) Brookfield Asset Management Private Institutional Capital Adviser (Credit) LLC; (iii) Canyon Capital Advisors LLC, on behalf of its participating clients; (iv) Davidson Kempner Capital Management LP, as investment advisor to its affiliated funds; and (v) OZ Management LP, on behalf of its participating funds and/or accounts. Members of the Commonwealth Bondholder Group file this Statement exclusively on their behalves and do not assume any fiduciary or other duties to any other creditor or person.

³ In addition to Counsel, the Commonwealth Bondholder Group was also previously represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP, Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP and Jiménez, Graffam & Lausell, but such representation has now ceased.

3. The Members of the Commonwealth Bondholder Group, and their affiliates, collectively, beneficially own or manage (or are the investment advisors or managers for funds that beneficially own or manage) approximately \$1.6 billion in aggregate principal amount of General Obligation Bonds. In accordance with Bankruptcy Rule 2019 and the Amended Case Management Procedures, the address, nature and amount of all disclosable economic interests of each Member of the Commonwealth Bondholder Group is set forth in Exhibit A attached hereto. The information contained in Exhibit A is based upon information provided by the Members of the Commonwealth Bondholder Group to Counsel and is subject to change.

4. Counsel's address is 450 Lexington Avenue, New York, New York 10017.

5. Counsel submits this First Supplemental Statement on behalf of the Commonwealth Bondholder Group out of an abundance of caution, and nothing herein should be construed as an admission that the requirements of Bankruptcy Rule 2019 or the Amended Case Management Procedures apply to Counsel's representation of the Commonwealth Bondholder Group.

6. Nothing contained in this First Supplemental Statement, including Exhibit A hereto, should be construed as (a) a waiver or release of any claims against the Title III Debtors by any Member of the Commonwealth Bondholder Group, (b) an admission with respect to any fact or legal theory or (c) a limitation upon, or waiver of, any Commonwealth Bondholder Group Member's right to file and/or amend a proof of claim in accordance with applicable law and any orders entered in the Title III Cases establishing procedures for filing proofs of claim or interests.

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

8. Counsel reserves the right to further amend or supplement this First Supplemental Statement.

9. The information contained herein is intended only to comply with Bankruptcy Rule 2019 and the Amended Case Management Procedures and is not intended for any other use or purpose.

[Remainder of Page Intentionally Left Blank]

We hereby certify that, on this same date, we electronically filed the foregoing with the clerk of the Court using the CM/ECF system, which will notify the attorneys of record.

Dated: March 8, 2019

DAVIS POLK & WARDWELL LLP

/s/ Donald S. Bernstein

Donald S. Bernstein (admitted *pro hac vice*)

Brian M. Resnick (admitted *pro hac vice*)

Angela M. Libby (admitted *pro hac vice*)

450 Lexington Avenue

New York, NY 10017

Telephone: (212) 450-4000

Facsimile: (212) 701-5800

Email: donald.bernstein@davispolk.com

brian.resnick@davispolk.com

angela.libby@davispolk.com

Counsel to the Commonwealth Bondholder Group

EXHIBIT A⁴

Name	Address	Nature and Amount of Disclosable Economic Interest ⁵
Brigade Capital Management, LP	399 Park Avenue, Suite 1600 New York, NY 10022	<ul style="list-style-type: none"> • \$163,714,000 in aggregate principal amount of General Obligation Bonds • \$2,390,000 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)⁶ • \$11,395,000 in aggregate principal amount of HTA Bonds (insured by monoline insurer)⁶ • \$226,144,700 in aggregate principal amount of PREPA Bonds
Brookfield Asset Management Private Institutional Capital Adviser (Credit) LLC	Brookfield Place 250 Vesey Street, 15th Floor New York, NY 10281	<ul style="list-style-type: none"> • \$18,500,000 in aggregate principal amount of General Obligation Bonds • \$19,945,000 in aggregate principal amount of PREPA Bonds

⁴ Amounts listed on this Exhibit A include only outstanding principal and do not include accrued and unpaid interest, interest on overdue interest and principal, or other amounts that may be owing under the applicable debt documents and laws (provided that amounts due on capital appreciation bonds include accreted amounts as of the relevant petition date). Notwithstanding the foregoing, each Member reserves its right to pursue claims for post-petition interest in connection with the economic interests disclosed herein. The amounts set forth herein include any disclosable economic interests that were sold, but had not yet settled, as of March 1, 2019. The amounts set forth herein do not include any disclosable economic interests that were bought, but had not yet settled, as of March 1, 2019.

⁵ To the best of Counsel's knowledge, the information included herein is accurate as of March 1, 2019. The Members of the Commonwealth Bondholder Group are disclosing their economic interests in each of the Title III Debtors out of an abundance of caution, and nothing herein should be construed as an admission that the requirements of Bankruptcy Rule 2019 or the Amended Case Management Procedures require the Commonwealth Bondholder Group to disclose such economic interests. In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 12 of the *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of COFINA* (the "COFINA Plan"), Case No. 17-3284 [ECF No. 561], all COFINA bonds were canceled on February 12, 2019. Members of the Commonwealth Bondholder Group may hold new COFINA securities issued under the COFINA Plan.

⁶ The amounts set forth herein are net of payments made by the monoline insurer on account of such bonds.

Name	Address	Nature and Amount of Disclosable Economic Interest ⁵
Canyon Capital Advisors LLC	2000 Avenue of the Stars, 11th Floor Los Angeles, CA 90067	<ul style="list-style-type: none"> • \$680,949,895 in aggregate principal amount of General Obligation Bonds • \$7,743,475 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)⁶ • \$1,335,125 in aggregate principal amount of HTA Bonds (insured by monoline insurer)⁶
Davidson Kempner Capital Management LP	520 Madison Avenue, 30th Floor New York, NY 10022	<ul style="list-style-type: none"> • \$445,127,000 in aggregate principal amount of General Obligation Bonds • \$138,837,034 in aggregate principal amount of HTA Bonds • \$3,685,000 in aggregate principal amount of HTA Bonds (insured by monoline insurer)⁶ • \$22,545,000 in aggregate principal amount of PREPA Bonds • \$420,000 in aggregate principal amount of PREPA Bonds (insured by monoline insurer)⁶
OZ Management LP	9 West 57th Street, 39th Floor New York, NY 10019	<ul style="list-style-type: none"> • \$299,966,000 in aggregate principal amount of General Obligation Bonds