

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:)	Chapter 11
)	
ENERGY FUTURE HOLDINGS CORP., <i>et al.</i> , ¹)	Case No. 14-10979 (CSS)
)	
Debtors.)	(Jointly Administered)
)	

**STATEMENT OF THE DISINTERESTED DIRECTORS OF
DEBTOR ENERGY FUTURE HOLDINGS CORP. REGARDING
PROPOSED SETTLEMENT OF CONFLICT MATTERS AS PART
OF PROPOSED PLAN OF REORGANIZATION**

1. Donald L. Evans and Billie I. Williamson, the disinterested directors (together, the “Disinterested Directors”) of the board of directors (the “Board”) of debtor Energy Future Holdings Corp. (“EFH Corp.”), by and through counsel, hereby submit this statement regarding the proposed settlement of certain conflict matters relating to inter-debtor claims pursuant to, and subject to confirmation of, the *Joint Plan of Reorganization of Energy Future Holdings Corp., et. al., Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”) [D.I. 4142] and in furtherance of the Court’s September 16, 2014 *Stipulation and Agreed Order Regarding a Protocol for Certain Case Matters* (the “Protocol”) [D.I. 2051]. Pursuant to the Protocol, the Court authorized the Disinterested Directors to retain independent advisors to represent EFH Corp. with respect to “Independent Matters” (as defined in the Case Matters Protocol). Protocol ¶ 4.

¹ The last four digits of Energy Future Holdings Corp.’s tax identification number are 8810. The location of the debtors’ service address is 1601 Bryan Street, Dallas, Texas 75201. Due to the large number of debtors in these chapter 11 cases, which are being jointly administered, a complete list of the debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the debtors’ claims and noticing agent at <http://www.efhcaseinfo.com>.

2. Pursuant to resolutions of the Board dated November 7, 2014 and December 9, 2014, the Board delegated to the Disinterested Directors the authority to investigate and determine whether any matter pertaining to these chapter 11 bankruptcy proceedings is one in which an actual conflict exists between EFH Corp., on the one hand, and any other debtor, including Energy Future Intermediate Holding Company LLC (“EFIH”) and Texas Competitive Electric Holdings Company LLC (“TCEH”), on the other hand (each, a “Conflict Matter”), and the authority to make all decisions on EFH Corp.’s behalf with respect to Conflict Matters.

3. In November 2014, EFH Corp. engaged Proskauer Rose LLP (“Proskauer”) as counsel and in December 2014 EFH Corp. engaged Solic Capital (“Solic”) as financial advisor to render professional services, under the supervision of the Disinterested Directors, in connection with Conflict Matters. Subsequent to their engagements, Proskauer and Solic conducted a thorough due diligence review and independent investigation of intercompany claims and other matters identified as Conflict Matters. Among other things, Proskauer and Solic were provided access to extensive databases containing documentary due diligence materials and productions, conducted extensive due diligence, investigation, legal research and analysis of Conflict Matters, and met and conferred with EFH Corp. personnel, including the co-chief restructuring officers and other management, tax, legal, finance and accounting personnel, and representatives of, and advisors to, various creditors of EFH Corp. and EFIH and EFH Corp.’s equity holders.

4. The Disinterested Directors and their legal and financial advisors also engaged in extensive discussions and negotiations with the disinterested managers of EFIH and TCEH and their legal and financial advisors, culminating in a proposed agreement to resolve certain of the Conflict Matters. Attached as **Exhibit 1** is a true and correct copy of the April 1, 2015 minutes

of a meeting of the Disinterested Directors (the “Minutes”) which, among other things, describes the process undertaken by the Disinterested Directors and resolves to settle the Conflict Matters. Schedule A to the Minutes describes the settled Conflict Matters; Schedule B to the Minutes sets forth an illustrative, non-exhaustive list of meetings and conference calls engaged in by the Disinterested Directors and their independent legal and financial advisors; Schedule C to the Minutes is an illustrative distribution spreadsheet under the proposed settlement; and Schedule D to the Minutes is the Joint Statement of Summary of Intercompany Claims approved by the Disinterested Directors and the disinterested managers of EFIH and TCEH, which is substantially similar to that issued by them on April 3, 2015. Attached as **Exhibit 2** is a true and correct copy of the Joint Statement of Summary of Intercompany Claims as issued.

5. The Disinterested Directors diligently worked to inform themselves regarding the factual and legal issues involving the Conflict Matters prior to the resolution of the Conflict Matters. The settlement of the intercompany claims that are Conflict Matters results in TCEH receiving an allowed, unsecured, non-priority claim against EFH Corp. (the “TCEH Claim”). The proposed settlement resulting in the TCEH Claim, however, is subject to the confirmation of the Plan. Additionally, the Disinterested Directors may terminate the proposed settlement if they determine, after consultation with their independent advisors, that termination of the settlement would be consistent with the exercise of their fiduciary duties. As set forth in detail in the Minutes, the Disinterested Directors believe that the proposed settlement embodied in the Plan is fair, reasonable and in the best interests of EFH Corp.’s estate.

Dated: April 14, 2015
Wilmington, Delaware

O'KELLY ERNST & BIELLI, LLC

/s/ David M. Klauder

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