

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

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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

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

Debtors.¹
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PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT
SYSTEM OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO (“ERS”),

Debtor.²
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PROMESA

Title III

No. 17 BK 3566-LTS

(Joint Administration Requested)

This Application relates only to ERS
and HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

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); and (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474).

² The last four (4) digits of ERS’s federal tax identification number are 9686.

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

No. 17 BK 3567-LTS

as representative of

(Joint Administration Requested)

THE PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”),

This Application relates only to ERS
and HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

Debtor.³

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**APPLICATION OF DEBTORS FOR ENTRY OF ORDER AUTHORIZING
EMPLOYMENT AND PAYMENT OF EPIQ BANKRUPTCY SOLUTIONS,
LLC AS SERVICE AGENT, NUNC PRO TUNC TO PETITION DATE**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (the “ERS,” and together with the Commonwealth, COFINA, and HTA, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),⁴ respectfully submit this application (the “Application”), pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), made applicable to these cases by PROMESA section 301(a), and Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to these cases by PROMESA section 310, for entry of an order, substantially in the form attached hereto as **Exhibit C** (the “Proposed Order”), authorizing the employment and

³ The last four (4) digits of HTA’s federal tax identification number are 3808.

⁴ PROMESA is codified at 48 U.S.C. §§ 2101-2241.

payment of Epiq Bankruptcy Solutions, LLC (“Epiq”) as the official service agent (the “Service Agent”) in the HTA/ERS Title III Cases (as defined below), effective *nunc pro tunc* to the HTA/ERS Petition Date (as defined below). The terms of Epiq’s employment are set forth in the engagement agreement, dated as of May 21, 2017, between Epiq and the Oversight Board (the “Engagement Agreement”).⁵ This Application requests issuance of the Proposed Order, authorizing the Debtors to pay Epiq all amounts arising under the Engagement Agreement. If there is any inconsistency between this Application, the Proposed Order, and the Engagement Agreement, the Debtors respectfully request that the Proposed Order govern. In support of this Application, the Debtors submit the *Declaration of Deirdre A. McGuinness* (the “McGuinness Declaration”).⁶ In support of the Application, the Debtors respectfully represent as follows:

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a).
2. Venue is proper pursuant to PROMESA section 307(a).
3. The statutory predicates for the relief sought herein are Bankruptcy Code section 105(a) and Bankruptcy Rule 2002, made applicable to these title III cases by PROMESA sections 301(a) and 310, respectively.

Background

4. On June 30, 2016, the Oversight Board was established under PROMESA section 101(b). On August 31, 2016, President Obama appointed the Oversight Board’s seven voting members.

⁵ The Engagement Agreement is attached as **Exhibit A** to this Application and incorporated herein by reference.

⁶ The McGuinness Declaration is attached as **Exhibit B** to this Application.

5. Pursuant to PROMESA section 315, “[t]he Oversight Board in a case under this title is the representative of the debtor[s]” and “may take any action necessary on behalf of the debtor[s] to prosecute the case[s] of the debtor[s], including filing a petition under section 304 of [PROMESA] . . . or otherwise generally submitting filings in relation to the case[s] with the court.”

6. On September 30, 2016, the Oversight Board designated the Debtors as covered entities under PROMESA section 101(d).

7. On May 3, 2017, the Oversight Board issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for the Commonwealth pursuant to section 304(a) of PROMESA, commencing a case under title III thereof (the “Commonwealth’s Title III Case”).

8. On May 5, 2017, the Oversight Board issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for COFINA pursuant to PROMESA section 304(a), commencing a case under title III thereof (together with the Commonwealth’s Title III Case, the “Initial Title III Cases”).

9. On May 21, 2017 (the “HTA/ERS Petition Date”), the Oversight Board issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for ERS and HTA pursuant to PROMESA section 304(a), commencing cases under title III thereof (the “HTA/ERS Title III Cases,” and collectively with the Initial Title III Cases, the “Title III Cases”).

10. On May 26, 2017, Judge Laura Taylor Swain was designated as the presiding judge in the HTA/ERS Title III Cases. *See In re Employees Retirement System of the*

Government of the Commonwealth of Puerto Rico, Case No. 17-3566 [ECF No. 16]; *In re Puerto Rico Highways and Transportation Authority*, Case No. 17-3567 [ECF No. 7].

11. On June 1, 2017, the Court entered an order granting the joint administration of the Initial Title III Cases, for procedural purposes only [ECF No. 242]. Contemporaneously herewith, the Debtors filed a motion seeking the joint administration of the Initial Title III Cases and the HTA/ERS Title III Cases.

12. Background information regarding the Commonwealth and its instrumentalities, and the commencement of the instant Title III Cases, is contained in the *Notice of Statement of Oversight Board in Connection with PROMESA Title III Petition* [ECF No. 1], attached to the Commonwealth's Title III petition.

Relief Requested

13. By this Application, the Debtors request entry of the Proposed Order, requiring payment of all amounts arising under the Engagement Agreement governing the employment relationship of the Debtors with Epiq as Service Agent in the HTA/ERS Title III Cases effective *nunc pro tunc* to the HTA/ERS Petition Date.

Basis for Relief

I. Pertinent Facts

A. Epiq

14. Epiq's senior management is comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex cases under the Bankruptcy Code. Epiq's professionals have experience in servicing, noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of bankruptcy cases. The Debtors and their creditors will benefit from Epiq's retention because Epiq has developed efficient and cost-effective methods in this area of expertise, and is fully equipped to

handle the volume of mailing involved in properly sending the required notices to creditors in the HTA/ERS Title III Cases. Epiq has substantial experience in bankruptcy cases, and has acted as the official service and notice agent in numerous bankruptcy cases. *See, e.g., In re Emas Chiyoda Subsea Limited*, Case No. 17-31146 (MI) (Bankr. S.D. Tex. Mar. 1, 2017); *In re Illinois Power Generating Co.*, Case No. 16-36326 (MI) (Bankr. S.D. Tex. Jan. 25, 2017); *In re Scout Media Inc.*, Case No. 16-13369 (MEW) (Bankr. S.D.N.Y. Dec. 20, 2016); *In re Basic Energy Services, Inc.*, Case No. 16-12320 (KJC) (Bank. D. Del. Oct. 26, 2016); *In re American Gilsonite Company*, Case No. 16-12316 (CSS) (Bankr. D. Del. Oct. 26, 2016); *In re Atlas Res. Partners, LP*, Case No. 16-12149 (SHL) (Bankr. S.D.N.Y. Aug. 8, 2016); *In re Halcon Resources Corporation*, Case No. 16-11724 (BLS) (Bankr. D. Del. July 29, 2016); *In re Warren Resources Inc.*, Case No. 16-32760 (MI) (Bankr. S.D. Tex. June 2, 2016); *In re Dex Media, Inc.*, Case No. 16-11200 (KG) (Bank. D. Del. May 15, 2016); *In re Offshore Group Investment Limited*, Case No. 15-12422 (BLS) (Bankr. D. Del. Dec. 04, 2015); *In re Fresh & Easy, LLC*, Case No. 15-12220 (BLS) (Bank. D. Del. October 30, 2015); *In re Allen Systems Group, Inc.*, Case No. 15-10332 (KJC) (Bankr. D. Del. Feb. 18, 2015); *In re Deb Stores Holding, LLC*, Case No. 14-12676 (KG) (Bankr. D. Del. Dec. 4, 2014); *In re AWI Delaware, Inc.*, Case No. 14-12092 (KJC) (Bankr. D. Del. Sept. 9, 2014); *In re Natrol, Inc.*, Case No. 14-11446 (BLS) (Bankr. D. Del. June 11, 2014); *In re Energy Future Holdings Corp.*, Case No. 14-10979 (CSS) (Bankr. D. Del. May 2, 2014); *In re F & H Acquisition Corp.*, Case No. 13-13220 (KG) (Bankr. D. Del. Dec. 17, 2013); *In re TPO Hess Holdings, Inc.*, Case No. 13-11327 (KJC) (Bankr. D. Del. May 23, 2013).

15. Appointing Epiq as the Service Agent in the HTA/ERS Title III Cases expedites the process of serving relevant parties with motions, responses, notices, complaints, and other pleadings filed in such cases.

16. Notwithstanding the inapplicability of Bankruptcy Code section 327 to the Title III Cases, as set forth in the McGuinness Declaration, Epiq has represented, among other things, that it does not have any relationship that would preclude it from fulfilling its proposed role in the HTA/ERS Title III Cases and that it will comply with all requests of the office of the Clerk of the Court (the “Clerk”).

B. Services to be Provided

17. As the Service Agent for the HTA/ERS Title III Cases, pursuant to the Engagement Agreement, Epiq will, to the extent requested by the Oversight Board and the Debtors (collectively, the “Services”):

- (a) serve required notices and documents in the HTA/ERS Title III Cases in accordance with PROMESA, the Bankruptcy Code, and the Bankruptcy Rules, as applicable, in the form and manner directed by the Oversight Board, the Debtors, and/or the Court, including, if applicable, serving notice in the HTA/ERS Title III cases of (i) the commencement of such cases, (ii) any claims bar date, (iii) transfers of claims, (iv) objections to claims and objections to transfers of claims, (v) any hearings on a disclosure statement and confirmation of the Debtors’ plans of adjustment, including under Bankruptcy Rule 3017(d), (vi) the effective date of any confirmed plan of adjustment, and (vii) all other orders, pleadings, publications, and other documents as the Oversight Board, the Debtors, and/or the Court may deem necessary or appropriate for an orderly administration of the HTA/ERS Title III Cases.
- (b) prepare and file or cause to be filed with the Clerk an affidavit or certificate of service for all notices, motions, orders, other pleadings, or documents served within three (3) business days of service that includes (i) either a copy of the notice served or the docket number(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service, and (iv) the date served.
- (c) (i) prepare and maintain a list of all potential creditors and other parties in interest in the HTA/ERS Title III Cases; (ii) to the extent not already maintained by any other agent, maintain a “core” mailing list in the HTA/ERS Title III Cases consisting of all parties in the described in Bankruptcy Rule 2002(i), (j), and (k) and those parties that have filed a notice of appearance under Bankruptcy Rule 9010; and (iii) update and make available the foregoing lists upon request by a party in interest or the Clerk.

- (d) identify and correct any incomplete or incorrect addresses in any mailing or service lists.
- (e) to the extent not already furnished by another agent, furnish a notice to all potential creditors in the HTA/ERS Title III Cases of the last date for filing proofs of claim and a form for filing a proof of claim, after such notice and form are approved by the Court, and notify said potential creditors of the existence, amount, and classification of their respective claims as set forth in the Debtors' schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the schedules indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors.
- (f) monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed in the HTA/ERS Title III Cases and make necessary notations on and/or changes to any service or mailing lists for the HTA/ERS Title III Cases, including to identify and eliminate duplicative names and addresses from such lists.
- (g) assist in the dissemination of information to the public and respond to requests for administrative information regarding the HTA/ERS Title III Cases as directed by the Oversight Board, the Debtors, or the Court.
- (h) thirty days before the close of the HTA/ERS Title III Cases, to the extent practicable, request that the Oversight Board, on behalf of the Debtors, submit to the Court a proposed order dismissing Epiq as Service Agent and terminating its services in such capacity upon completion of its duties and responsibilities and upon the closing of the HTA/ERS Title III Cases.
- (i) provide such other services described in the Engagement Agreement as may be requested from time to time by the Debtors, the Oversight Board, the Court, or the Clerk.

18. Epiq has agreed to coordinate with any other agents retained by the Oversight Board in the HTA/ERS Title III Cases regarding the provision of Services to avoid duplication of efforts and ensure efficiencies.

C. Professional Compensation

19. Epiq has agreed to be employed by the Debtors conditioned upon its ability to work under its customary terms and conditions of employment, including the proposed compensation arrangements set forth in the Engagement Agreement (the "Rate Structure"). The

Rate Structure is consistent with, and typical of, arrangements entered into by Epiq and other noticing and service agents of comparable expertise and experience for engagements of similar size and complexity. In addition, the Debtors have agreed to pay Epiq a retainer of \$25,000 (the “Retainer”) that may be held by Epiq as security for the Debtors’ payment obligations under the Engagement Agreement. Upon the Court’s issuance of the Proposed Order, Epiq shall be entitled to hold the Retainer until the termination of the Engagement Agreement. Following termination of the Engagement Agreement, Epiq agrees to return to the Debtors any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

20. The Debtors respectfully request that the undisputed fees and expenses incurred by Epiq in the performance of the above services be treated as administrative expenses pursuant to Bankruptcy Code section 503(b)(1)(A), made applicable by PROMESA section 301(a), and be paid in the ordinary course of business pursuant to the Engagement Agreement without further application to or order of the Court. Epiq agrees to maintain records of all services showing dates, categories of services, fees charged, and expenses incurred, and to serve monthly invoices, on the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), the Oversight Board, counsel for AAFAF, counsel for the Oversight Board, counsel for any statutory committee monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices. If any dispute arises relating to the Engagement Agreement or monthly invoices, the parties shall meet and confer in an attempt to resolve the dispute; if resolution is not achieved, the parties may seek resolution of the matter from the Court.

D. Indemnification Provisions

21. As proposed in the Proposed Order, the Debtors will indemnify and hold harmless Epiq, its members, directors, officers, employees, representatives, affiliates, consultants,

subcontractors, and agents (collectively with Epiq, the “Indemnified Parties”) under certain circumstances specified in the Engagement Agreement; provided the Debtors will have no obligation to indemnify the Indemnified Parties, or provide contribution or reimbursement to the Indemnified Parties, for any losses, claims, damages, judgments, liabilities, and expenses resulting solely from Epiq’s gross negligence or willful misconduct or as otherwise provided in the Engagement Agreement or any order authorizing the employment of Epiq. Furthermore, Epiq and the Debtors shall notify each other in writing promptly upon the assertion, threat, or commencement of any claim, action, investigation, or proceeding that either party becomes aware of with respect to the services rendered under the Engagement Agreement. The Debtors believe that such an indemnification obligation is customary, reasonable, and necessary to employ a Service Agent in the HTA/ERS Title III Cases.

II. Legal Basis for the Relief Requested

A. Employment of Epiq as Service Agent is Permitted

22. Significantly, Bankruptcy Code section 363, governing the use of property, does not apply to Title III cases. Pursuant to section 105(a) of the Bankruptcy Code, made applicable to the Title III Cases by PROMESA section 301(a), and Bankruptcy Rule 2002, made applicable to these cases by PROMESA section 310, the Oversight Board, on behalf of the Debtors, is permitted to employ Epiq as Service Agent to assume full responsibility for service of motions, responses, notices, complaints, and other pleadings in the HTA/ERS Title III Cases.

23. Bankruptcy Rule 2002, which governs the notices that must be provided to creditors and other parties in interest in bankruptcy cases, authorizes the Court to direct that some person other than the Clerk provide notice of matters arising in the HTA/ERS Title III Cases. *See, e.g.*, Fed. R. Bankr. P. 2002(a), (b), (d), (f) (requiring in each case that notices be given by “the clerk, *or some other person as the court may direct*”) (emphasis added).

24. Section 105(a) of the Bankruptcy Code provides, in relevant part that:

The court may issue any order, process, or judgment that is ***necessary or appropriate*** to carry out the provisions of this title. No provision of this title providing for the raising of an issue by any party in interest shall be construed to preclude the court from, *sua sponte*, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.

11 U.S.C. § 105(a) (emphasis added).

25. The Debtors anticipate that the Title III Cases will require tens of thousands of people and entities to be noticed, many of which are expected to be unique to the HTA/ERS Title III Cases. In view of that large number and the unique identities of parties in interest in the HTA/ERS Title III Cases, the Debtors submit that the employment of the Service Agent is in the best interests of the Debtors and their creditors. Relieved of the burdens associated with the Services and maintaining service and mailing lists across multiple dockets, the Debtors will be able to devote their full attention and resources to facilitating the orderly administration of all Title III Cases, including the HTA/ERS Title III Cases. Moreover, other agents retained by the Oversight Board will be able to focus their efforts on providing their specific services and will be alleviated of the burden of maintaining significantly different service and mailing lists across multiple debtors in the Title III Cases. Indeed, servicing in such complex cases is labor-intense, and additional servicing capabilities will increase efficiencies and permit agents to work collaboratively to provide services to the Debtors, benefiting them, their creditors, and other parties in interest.

26. Prior to the selection of Epiq as Service Agent in the HTA/ERS Title III Cases, the Oversight Board and the Debtors reviewed and compared engagement proposals from other industry-leading service agents to ensure a competitive process. The Debtors submit that, based on the engagement proposals obtained and reviewed, Epiq's rates are competitive and reasonable

given the quality of services and expertise Epiq provides. The Debtors are requesting authority to pay all amounts arising under the Engagement Agreement. If there is any inconsistency between the Engagement Agreement, the Application, and the Proposed Order, the Proposed Order governs.

B. *Nunc Pro Tunc* Relief is Appropriate

27. In accordance with the Debtors' request, Epiq has agreed to serve as Service Agent on and after the HTA/ERS Petition Date with assurances that the Debtors would seek approval of their employment, effective *nunc pro tunc* to the HTA/ERS Petition Date, so that Epiq can be compensated for services rendered before approval of this Application. The Debtors believe that no party in interest will be prejudiced by the granting of the *nunc pro tunc* employment, as proposed in this Application, because Epiq has provided and continues to provide valuable services to the Debtors in the interim period. Bankruptcy Courts routinely approve *nunc pro tunc* employment similar to that requested herein in large, complex bankruptcy cases.⁷

28. Accordingly, the Debtors respectfully request entry of the Proposed Order authorizing and requiring the Debtors to pay Epiq as Service Agent, effective *nunc pro tunc* to the HTA/ERS Petition Date, all amounts arising under the Engagement Agreement.

Notice

29. The Debtors have provided notice of this Application to: (a) the Office of the

⁷ See, e.g., *In re La Paloma Generating Co., LLC*, No. 16-12700 (CSS) (Bankr. D. Del. Jan. 13, 2017) (approving *nunc pro tunc* employment of the claims and noticing agent to perform claims and noticing services); *In re Magnum Hunter Resources Corporation*, No. 15-12533 (Bankr. D. Del. Dec. 16, 2015) (same); *In re The Wet Seal, Inc., et al.*, Case No. 15-10081 (CSS) (Bankr. D. Del. Jan. 20, 2015) (D.I. 93); *In re Endeavour Operating Corporation, et al.*, Case No. 14-12308 (KJC) (Bankr. D. Del. Nov. 6, 2014) (D.I. 152); *In re AmCad Holdings, LLC, et al.*, Case No. 14-12168 (MFW) (Bankr. D. Del. Sept. 23, 2014) (D.I. 29).

United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors' bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims; (d) the Office of the United States Attorney for the District of Puerto Rico; (e) counsel to AAFAF; (f) the Puerto Rico Department of Justice; (g) the Other Interested Parties;⁸ and (h) all parties filing a notice of appearance in the Title III Cases. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

Reservation of Rights

30. The Debtors file this Motion without prejudice to or waiver of their rights pursuant to PROMESA section 305,⁹ and do not by this Motion provide any consent otherwise required by section 305.

No Prior Request

31. No prior request for the relief sought in this Application has been made to this or any other court.

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⁸ The "Other Interested Parties" include the following: (i) counsel to certain of the insurers and trustees of the bonds issued or guaranteed by the Debtors; and (ii) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors.

⁹ PROMESA section 305 provides: "Subject to the limitations set forth in titles I and II of this Act, notwithstanding any provision in this title to the contrary, unless the Oversight Board consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with — (1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the use or enjoyment by the debtor of any income-producing property."

WHEREFORE the Debtors respectfully request entry of the Proposed Order, attached hereto as **Exhibit C**, and such other and further relief as is just.

Dated: June 9, 2017
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Exhibit A

Engagement Agreement



EPIQ SYSTEMS

STANDARD SERVICES AGREEMENT

This Standard Services Agreement is being entered into by and between Epiq Bankruptcy Solutions, LLC (“Epiq”) and the Financial Oversight and Management Board for Puerto Rico (the “FOMB” or “Client”), in its own capacity and as the representative of the Debtors, as of the Effective Date, as defined below. In consideration of the premises herein contained and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

General Terms and Conditions

1. Services.

1.1 In accordance with the charges, terms and conditions contained in this agreement and in the schedule(s) attached hereto (collectively, the “Agreement”), at the request of Client and the Government (as defined below), Epiq agrees to furnish Client with the services set forth on Exhibit C attached hereto (the “Services”) in connection with potential restructuring proceedings for the Puerto Rico Highways and Transportation Authority, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and other instrumentalities of the Commonwealth of Puerto Rico designated by the FOMB (collectively, the “Government” or the “Debtors”) in accordance with the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), including, without limitation, any proceeding pursuant to Title III of PROMESA (a “Title III Proceeding”).

1.2 Services will be provided on an as-needed basis and upon request or agreement of Client and the Government, and each of their representatives, employees, agents and/or professionals (collectively, the “Debtor Parties”); provided, however, that in the case of a conflict, the direction of the FOMB and its representatives, employees, agents, and professionals shall control. The parties agree that Epiq may rely upon, and the FOMB agrees to be bound by, any requests, advice or information provided by the Debtor Parties to the same extent as if such requests, advice or information were provided by the FOMB or the Government.

1.3 Epiq agrees (i) to coordinate with any other agents retained by the FOMB with respect to (A) the cases of the Government under Title III of PROMESA, and (B) any other case commenced by an instrumentality of the Commonwealth under Title III or Title VI of PROMESA, (ii) to avoid duplicating Services provided by any such agents with respect to the foregoing, and (iii) the division of any Services in connection with such cases between Epiq and any such agents shall be determined in the discretion of the FOMB and the Government.



1.4 Charges for the Services will be based on the pricing schedule attached hereto as **Exhibit A** (the "**Pricing Schedule**"). The Pricing Schedule sets forth individual unit pricing for each of the Services provided by Epiq and represents a bona fide proposal for that Service. Client may request separate Services or all of the Services reflected in the Pricing Schedule.

1.5 In the case of a Title III Proceeding, payment for the Services provided by Epiq will be pursuant to an order of the United States District Court presiding over any Title III Proceeding (the "**District Court**") authorizing Epiq's employment and payment (the "**Epiq Order**"), the terms of which shall be in form and substance reasonably acceptable to the FOMB, the Government, and Epiq. For the avoidance of doubt, the FOMB shall not be liable for any and all fees and expenses incurred or any other amounts whatsoever under this Agreement.

1.6 While providing the Services under this Agreement, Epiq shall comply with all applicable laws, rules and regulations, as well as all applicable FOMB policies and rules, including without limitation the FOMB's Vendor Code of Conduct and its disclosure certification. A copy of the FOMB's Vendor Code of Conduct and its Vendor Conflict of Interest Disclosure Certification is attached as **Exhibit B** hereto.

2. Term and Termination.

2.1 This Agreement shall become effective on the Effective Date (as defined herein); provided, however, Epiq acknowledges that the District Court's approval of its employment and payment may be required in order for Epiq to be engaged to perform any Services in connection with a Title III Proceeding.

2.2 The Agreement shall remain in effect until terminated: (a) by either party on 30 days' prior written notice to other party (subject to the terms of the Epiq Order, any applicable provisions of PROMESA, the Bankruptcy Code, and the Bankruptcy Rules, and any other applicable orders of the District Court) or (b) by the FOMB immediately upon written notice for Cause (as defined herein). "***Cause***" means (a) gross negligence or willful misconduct of Epiq that causes material harm to the FOMB's and the Government's restructuring efforts under Title VI or Title III of PROMESA or (b) if the Epiq Order, whether as proposed or as entered by the District Court, is not in form and substance reasonably acceptable to both the FOMB and Epiq.

2.3 If this Agreement is terminated after the Epiq Order is entered, the FOMB shall promptly seek entry of a District Court order discharging Epiq of its duties under the Epiq Order, which shall be in form and substance reasonably acceptable to Epiq.

2.4 If this Agreement is terminated, Epiq shall coordinate with the FOMB and the Government, and, to the extent applicable, the District Court, to maintain an orderly transfer of record-keeping functions, and Epiq shall provide the necessary staff, services, and assistance required for such an orderly transfer.

2.5 In the case of a Title III Proceeding, Epiq shall not cease providing the Services during any Title III Proceeding(s) for any reason without prior order of the Court authorizing Epiq to do so; provided that Epiq may seek such an order on expedited notice by filing a request with the Court with notice of such request to be served on the FOMB, the Government, the U.S. Trustee, and any statutory committee of creditors appointed, if any, in the Title III Proceeding(s) by facsimile or overnight delivery; provided, further, that except as expressly provided herein, the FOMB, the Government, and Epiq may otherwise terminate or suspend other services as provided under this Agreement.

2.6 Epiq's obligation to maintain the confidentiality of information as set forth in Section 4 of this Agreement shall continue post termination of this Agreement.

3. Charges.

3.1 For the Services and materials furnished by Epiq under this Agreement, the Government shall pay the fees, charges and costs set forth in the Pricing Schedule. Epiq will bill the Government monthly or as otherwise ordered by the District Court. All invoices shall be due and payable upon receipt (unless otherwise provided under the Epiq Order). For the avoidance of doubt, the FOMB shall not be liable for any and all fees and expenses incurred or any other amounts whatsoever under this Agreement.

3.2 All invoices shall be reasonably detailed, setting forth (a) the services provided by Epiq and the rates charged for each and (b) all reasonable and necessary expenses incurred. All invoices shall be served on counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority, counsel for the Oversight Board, counsel for any statutory committee monitoring the expenses of the Debtors, as applicable, and any party in interest who specifically requests service of the invoices.

3.3 Epiq reserves the right to make reasonable increases to the unit prices, charges and professional service rates reflected in the Pricing Schedule on an annual basis effective January 2, 2018. If such annual increases exceed 10% from the prior year's level, Epiq shall provide sixty (60) days' prior written notice to FOMB of such proposed increases.

3.4 The Government agrees to pay Epiq for all materials necessary for performance of the Services under this Agreement (other than computer hardware and software) and any reasonable out of pocket expenses including, without limitation, transportation, long distance communications, printing, photocopying, fax, postage and related items.

3.5 For the period from the date of the engagement to June 30, 2017, Epiq will charge standard hourly rates as set forth in the Pricing Schedule, however, Epiq will discount hourly rates by 50% during that period. For the period from July 1, 2017, to the conclusion of the Agreement, Epiq will cap hourly rates at \$150.00 with the exception of its lead solicitation expert, lead notification expert and lead crisis communications consultant (Jane Sullivan, Cameron Azari and Jennifer Mercer, respectively).



3.6 The Government shall pay or reimburse all taxes applicable to services performed under this Agreement and, specifically, taxes based on disbursements made on behalf of the Government, notwithstanding how such taxes may be designated, levied or based. This provision is intended to include sales, use and excise taxes, among other taxes, but is not intended to include personal property taxes or taxes based on net income of Epiq.

3.7 The Government shall pay to Epiq any actual charges (including fees, costs and expenses as set forth in the Pricing Schedule) related to, arising out of or resulting from any Client error or omission. Such charges may include, without limitation, print or copy re-runs, supplies, long distance phone calls, travel expenses and overtime expenses for work chargeable at the rates set forth on the Pricing Schedule.

3.8 In the event of termination pursuant to Section 2 hereof, the Government shall be liable for all amounts then accrued and/or due and owing to Epiq under the Agreement.

3.9 To the extent permitted by applicable law, Epiq shall receive a retainer from the Government in the amount of \$25,000 (the "Retainer") that may be held by Epiq as security for the Government's payment obligations under the Agreement. The Retainer is due upon entry of the Epiq Order. Epiq shall be entitled to hold the Retainer until the termination of this Agreement. Following termination of this Agreement, Epiq shall return to the Government any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

4. Confidentiality.

The FOMB and Government data provided to Epiq during the term of this Agreement in connection with the Services ("Client Data") shall be maintained confidentially by Epiq in the same manner and to the same level as Epiq safeguards data relating to its own business; provided, however, that if Client Data is publicly available, was already in Epiq's possession or known to it, was required to be disclosed by law, was independently developed by Epiq without use or reference to any Client Data, or was rightfully obtained by Epiq from a third party, Epiq shall bear no responsibility for public disclosure of such data. If Epiq reasonably believes that it is required to disclose any confidential information pursuant to an order from a governmental authority, it shall provide written notice to Client promptly after receiving such order, to allow Client sufficient time to seek any remedy available under applicable law to prevent disclosure of the information.

5. Title to Property.

Epiq reserves all property rights in and to all materials, concepts, creations, inventions, works of authorship, improvements, designs, innovations, ideas, discoveries, know-how, techniques, programs, systems and other information, including, without limitation, data processing programs, specifications, applications, processes, routines, sub-routines, procedural manuals and documentation, other than Client Data and any material delivered pursuant to Services under this Agreement, furnished or developed by Epiq for itself or for use by FOMB or the Government

(collectively, the “Property”). Charges paid by the Government do not vest in FOMB or the Government any rights to the Property, it being expressly understood that the Property is made available to Client under this Agreement solely for Client’s use during and in connection with each use of the Epiq equipment and services. The FOMB and the Government agree not to copy or permit others to copy any of the Property.

6. Disposition of Data.

6.1 The FOMB and the Government are responsible for the accuracy of the programs and Client Data they provide or give access to Epiq. The FOMB and the Government agree, represent and warrant to Epiq that, upon delivery of any Client Data to Epiq, they have full authority to deliver Client Data to Epiq. The FOMB and the Government agree, represent, and warrant to Epiq that they have obtained binding consents, permits, licenses and approvals from all necessary persons, authorities or individuals, and have complied with all applicable policies, regulations and laws, required by the FOMB and the Government, in order to allow Epiq to use all Client Data delivered to it in connection with its Services. Epiq shall not be liable for, and the Government accepts full responsibility for, any liability or obligation with respect to Client Data prior to Epiq’s receipt, including without limitation, any liability arising during the delivery of Client Data to Epiq.

6.2 Any Client Data, programs, storage media or other materials furnished by the FOMB or the Government to Epiq in connection with this Agreement (collectively, the “Client Materials”) may be retained by Epiq until the services provided pursuant to this Agreement are paid for in full, or until this Agreement is terminated with the Services provided herein having been paid for in full. The Government shall remain liable for all out of pocket charges incurred by Epiq under this Agreement as a result of any Client Materials maintained by Epiq. Epiq shall dispose of Client Materials in the manner requested by FOMB or the Government (except to the extent disposal may be prohibited by law). The Government agrees to pay Epiq for reasonable expenses incurred as a result of the disposition of Client Materials. Epiq reserves the right to dispose of any Client Materials if this Agreement is terminated without FOMB’s direction as to the return or disposal of Client Materials or the Government has not paid all charges due to Epiq for a period of at least ninety (90) days, subject to the terms of the Retention Order, any applicable provisions of PROMESA, the Bankruptcy Code, the Bankruptcy Rules, and any other applicable order of the presiding District Court; provided, however, Epiq shall provide FOMB and the Government with thirty (30) days’ prior written notice of its intent to dispose of such data and media.

6.3 In the case of a Title III Proceeding and if Epiq is unable to provide the services set out in the Epiq Order, Epiq will immediately notify the Clerk and counsel to the FOMB and, upon approval of the Court, cause to have all original proofs of claim and computer information turned over to another claims agent with the advice and consent of the Clerk and counsel to the FOMB.

7. Indemnification.

7.1 The Government shall indemnify, defend and hold Epiq, its affiliates, parent, and each such entity’s officers, members, directors, agents, representatives, managers, consultants and employees

(each an “Indemnified Person”) harmless from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys’ fees) and expenses as incurred (collectively, “Losses”), to which any Indemnified Person may become subject or involved in any capacity arising out of or relating to this Agreement or Epiq’s rendering of services pursuant hereto, regardless of whether any of such Indemnified Persons is a party thereto, other than Losses resulting solely from Epiq’s gross negligence or willful misconduct. Without limiting the generality of the foregoing, “Losses” includes any liabilities resulting from claims by third persons against any Indemnified Person. FOMB, the Government and Epiq shall notify the other party in writing promptly of the commencement, institution, threat, or assertion of any claim, action or proceeding of which either party is aware with respect to the services provided by Epiq under this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of FOMB, and shall survive the termination of this Agreement until the expiration of all applicable statutes of limitation with respect to Epiq’s liabilities.

7.2 Epiq shall not be entitled to indemnification, contribution, or reimbursement for services other than the Services provided under this Agreement, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court.

8. Representations / Warranties.

Epiq makes no representations or warranties, express or implied, including, without limitation, any implied or express warranty of merchantability, suitability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

9. Confidential On-Line Workspace

Upon request of Government or the FOMB, Epiq shall be authorized to: (a) establish a confidential on-line workspace with an outside vendor in connection with the provision of its services to FOMB pursuant to this Agreement; and (b) with the consent of Government, FOMB and/or their designees, publish documents and other information to such confidential workspace. Epiq’s publication of documents and other information to this confidential workspace in accordance with the foregoing shall not be considered a violation of any of the provisions of this Agreement, including, but not limited to, Section 4 (Confidentiality).

10. General

10.1 No waiver, alteration, amendment or modification of any of the provisions of this Agreement shall be binding upon either party unless signed in writing by a duly authorized representative of both parties.

10.2 This Agreement may not be assigned by either party without the express written consent of the other, which consent shall not be unreasonably withheld. The Services provided under this



Agreement are for the sole benefit and use of FOMB and the Government, and shall not be made available to any other persons.

10.3 This Agreement shall be governed by the laws of the State of New York, without regard to that state's provisions for choice of law.

10.4 The parties hereto agree that this Agreement is the complete and exclusive statement of the agreement between the parties which supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

10.5 FOMB will use its best efforts to cooperate with Epiq at FOMB's facilities if any portion of the Services requires its physical presence thereon.

10.6 In no event shall Epiq's Services constitute or contain legal advice or opinion, and neither Epiq nor its personnel shall be deemed to practice law hereunder.

10.7 Whenever performance by Epiq of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, government requirement, strike, lock-out or other industrial or transportation disturbance, fire, flood, epidemic, lack of materials, law, regulation or ordinance, act of terrorism, war or war condition, or by reason of any other matter beyond Epiq's reasonable control, then such performance shall be excused, and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

10.8 This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

10.9 All clauses and covenants in this Agreement are severable; in the event any or part of them are held invalid or unenforceable by any court, such clauses or covenants shall be valid and enforced to the fullest extent available, and this Agreement will be interpreted as if such invalid or unenforceable clauses or covenants were not contained herein. The parties are independent contractors and, except as expressly stated herein, neither party shall have any rights, power or authority to act or create an obligation on behalf of the other party.

10.10 Notices to be given or submitted by either party to the other, pursuant to this Agreement, shall be sufficiently given or made if given or made in writing and sent by hand delivery, overnight or certified mail, email, postage prepaid, and addressed as follows:

If to Epiq Systems:

Epiq Bankruptcy Solutions, LLC
777 Third Avenue, 12th Floor
New York, New York 10017
Attn: Deirdre McGuinness

If to FOMB:

Financial Oversight and Management Board for Puerto Rico
26 Federal Plaza Room 2-128
New York, NY 10278
Attn: Jaime El Koury
Tel: (212) 225-2570
Email: jelkoury@outlook.com

With a copy to:

Proskauer Rose LLP
Eleven Times Square
New York, NY 10036
Attn: Ehud Barak, Esq.
Tel: (212) 969-3983
Email: ebarak@proskauer.com

10.11 Invoices sent to the Government should be delivered to the following address:

Puerto Rico Fiscal Agency and Financial Advisory Authority
Roberto Sánchez Vilella (Minillas) Government Center
De Diego Ave. Stop 22
San Juan, Puerto Rico 00907
Attn: Adriana Capacete Cabassa, Esq.
Mohammad Yassin, Esq.
E-Mail: Adriana.Capacete@aafaf.pr.gov
Mohammad.Yassin@aafaf.pr.gov

With a copy to:

O'Melveny & Myers LLP
7 Times Square
New York, New York 10036
Attn: Diana M. Perez, Esq.
E-Mail: dperez@omm.com

10.12 The "Effective Date" of this Agreement is May 21, 2017.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EPIQ BANKRUPTCY SOLUTIONS, LLC

A handwritten signature in blue ink, appearing to read "Brad Scott", written over a light blue rectangular background.

Name: Brad Scott
Title: President & COO

FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO

A handwritten signature in blue ink, appearing to read "Natalie A. Jaresko", written over a light blue rectangular background.

Name: _____ Natalie Jaresko _____
Title: _____ Executive Director _____

Exhibit A
PRICING SCHEDULE

PROFESSIONAL FEE HOURLY RATES

<u>Title</u>	<u>Rates</u>
Clerical/Administrative Support	\$20.00 – \$40.00
IT / Programming	\$45.00 – \$80.00
Case Managers	\$50.00 – \$140.00
Consultants/ Directors/Vice Presidents	\$120.00 – \$170.00
Solicitation Consultant	\$165.00
Executive Vice President, Solicitation	\$195.00
Director, Hilsoft Notifications	Quoted at time of Request
Other Executives	No Charge
Communication Consultant	Quoted at time of Request

CLAIMS AND NOTICING RATES¹

Printing	\$0.07 per image
Personalization / Labels	NO CHARGE
Envelopes	At preferred rates
Postage / Overnight Delivery	At preferred rates
E-Mail Noticing	Waived
Fax Noticing	\$0.04 per page
Claim Acknowledgement Letter	\$0.05 per letter
Publication Noticing	Quoted at time of request

DATA MANAGEMENT RATES

Data Storage, Maintenance and Security	\$0.05 per record/month
Electronic Imaging	No charge per image; no monthly storage charge

¹ Noticing via overnight delivery after traditional overnight drop-off times (e.g., 9:00 p.m. in NYC) may result in additional print charges.



Website Hosting Fee	NO CHARGE
CD- ROM (Mass Document Storage)	\$5.00 per CD

ON-LINE CLAIM FILING SERVICES

On-Line Claim Filing	NO CHARGE
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CALL CENTER RATES

Standard Call Center Setup	NO CHARGE
Call Center Operator	\$35- \$55 per hour
Voice Recorded Message	No charge until June 30, 2017, and then at cost thereafter

OTHER SERVICES RATES

Translation Services	At preferred rates
Virtual Data Room -- Confidential On-Line Workspace	Quoted at time of request
Depositions/Court Reporting	Quoted at time of request, bundled pricing available
eDiscovery	Quoted at time of request, bundling pricing available
Disbursements -- Check and/or Form 1099	Quoted at time of request
Disbursements -- Record to Transfer Agent	Quoted at time of request



Exhibit B
FOMB'S VENDOR CODE OF CONDUCT AND ITS VENDOR CONFLICT
OF INTEREST DISCLOSURE CERTIFICATION

EXHIBIT B

VENDOR/CONSULTANT/REPRESENTATIVE CODE OF CONDUCT

The Financial Oversight and Management Board for Puerto Rico (the “Board”) is committed to ethical and lawful behavior, and to acting professionally and fairly in all of its business dealings and relationships. The Board seeks to maintain high ethical standards and to comply with all applicable laws and regulations. The Board expects its vendors, consultants, and representatives to embrace this commitment to ethical and lawful behavior by complying with and training its employees on the Board’s Vendor Code of Conduct. The Board also expects its vendors to have their own codes of conduct that ensure ethical business conduct and practices.

I. Compliance with the Vendor Code of Conduct

All vendors, consultants, and representatives and their employees, agents, and subcontractors (collectively referred to as “Vendors”) must adhere to this Code of Conduct while conducting business with or on behalf of the Board. Vendors must promptly inform the Executive Director, the General Counsel, or a member of the Board when any situation develops that causes, or may cause, the Vendor to violate any provision of this Code of Conduct. Although Vendors are expected to self-monitor and demonstrate their compliance with this Code of Conduct, the Board may audit Vendors and/or inspect Vendors’ facilities and records to confirm compliance.

The Board may require the immediate removal from any project or engagement of any Vendor representative(s) or personnel who behave in a manner that is unlawful or inconsistent with this Code of Conduct or any Board policy. Compliance with this Code of Conduct, as well as attendance at any training on this Code of Conduct as may be offered by the Board, is required in addition to any other contractual obligations a Vendor may have to the Board.

II. Legal and Regulatory Compliance Practices

Vendors must conduct their business activities on behalf of the Board in full compliance with the letter and spirit of all applicable laws and regulations.

- **Anti-Corruption.** The Board takes a zero-tolerance approach to bribery and corruption, and it requires its Vendors to do the same. Vendors must not participate in bribes or kickbacks of any kind, whether in dealings with the Board, government and public officials, or individuals in the private sector. Vendors must also comply with all applicable anti-corruption and anti-money laundering laws, as well as laws governing gifts and payments to public officials, political campaign contribution and lobbying laws, and other related regulations. In particular, Vendors must not:
 - Offer, promise, or allow anything of value (including travel, gifts, hospitality expenses, and charitable donations) to be given on behalf of the Board to influence a business or government decision, gain an improper advantage, or otherwise improperly promote the interests of the Board in any respect;
 - Offer, promise, or allow anything of value to be given to a Board member or employee to influence a Board decision or otherwise gain an improper advantage; or

- Ask for or accept anything of value which the Vendor knows or suspects is being offered to influence a Board decision or otherwise obtain an improper advantage in connection with the Vendor's work with or on behalf of the Board.
- **Antitrust/Fair Business Practices.** Vendors must conduct their business in full compliance with antitrust and fair competition laws that govern the jurisdictions in which they conduct business. Vendors must also uphold all standards of fair dealing and abide by all fair business practices, including truthful and accurate advertising.
- **Trade.** Vendors shall comply with all applicable trade controls, as well as any applicable export, re-export, and import laws and regulations. Vendors must not knowingly employ or do business with anyone reasonably suspected of being connected with criminal or terrorist activities or who is otherwise subject to applicable trade sanctions.
- **Freedom from Unlawful Harassment and Discrimination.** Vendors shall provide a workplace free from harassment and/or discrimination in hiring, compensation, access to training, promotion, termination, and/or retirement on the basis of race, color, creed, religion, sex, gender identity or expression, sexual orientation, pregnancy, status as a parent, age, marital status, national origin, ancestry, citizenship status, physical or mental disability or serious medical condition, protected genetic information, political beliefs, status as a veteran, or any other characteristic protected by law. Vendors shall further prohibit any form of reprisal or retaliation against any employee for reporting harassment or discrimination in good faith or for participating in good faith in a harassment or discrimination investigation.
- **Wages, Benefits and Working Hours.** Vendors must comply with local applicable laws regarding wages, overtime hours and mandated benefits. Vendors must also communicate with workers about compensation, including any overtime pay, in a timely and honest manner.
- **Freely Chosen Employment.** No Vendor shall use any form of indentured, slave, or forced labor, including involuntary prison labor. Vendors are also prohibited from supporting or engaging in any form of human trafficking of involuntary labor through threat, force, fraudulent claims, or other coercion.
- **Child Labor.** Vendors shall comply with all local and national minimum working age laws or regulations and not use child labor. All employees shall be age 18 and over unless: (i) a country's legal age for employment or age for completing compulsory education is under 18; and (ii) the work is non-hazardous.

III. Business Practices and Ethics

Vendors must conduct their business interactions and activities with integrity.

- **Honesty and Integrity.** Vendors must at all times be honest, direct, and truthful in discussions with the Board, its staff and agents, regulatory agency representatives, and government officials.
- **Business and Financial Records.** The Board expects Vendors to timely, honestly, and accurately record and report all business information, including without limitation any invoices for payment, and comply with all applicable laws regarding their creation, completion, accuracy,

retention, and disposal. All invoices must be (i) timely submitted, (ii) itemized, (iii) supported by appropriate documentation, and (iv) must comply with all other requirements as set out in the relevant contract(s).

- **Conflicts of Interest.** Vendors shall scrupulously avoid any conflict, real or perceived, direct or indirect, between their own individual, professional, or business interests and the interests of the Board. Among other things, Vendors must not deal directly with any Board member or *ex officio* member or employee whose spouse, domestic partner, or other family member or relative is associated with and/or holds any ownership or other financial interest in the Vendor. In the course of negotiating the Vendor agreement or performing the Vendor's obligations, dealing directly with a Vendor personnel's spouse, domestic partner, or other family member or relative employed by the Board is also prohibited. Complying with this requirement includes, but is not limited to, each Vendor's completion of the Vendor Conflict of Interest Disclosure Certification attached as **Appendix A** hereto.
- **Gifts and Entertainment.** Vendors should avoid any actions with Board members or *ex officio* members or employees during any vendor selection or re-selection process that could give others the impression of favoritism or other improper advantage. Furthermore, Vendors should not offer, and Board members, *ex officio* members, and employees must not accept, gifts or entertainment that might compromise, or appear to compromise, the Board member or employee's judgment or independence. Even a well-intentioned gift might constitute or be perceived to be a bribe under certain circumstances, or create a conflict of interest or the appearance of a conflict of interest. Board employees are required to conduct all business and interactions with Vendors in strict compliance with the applicable provisions of the Board's business ethics and conflict of interest policies.
- **Confidentiality, Privacy and Data Security.** Vendors shall, at all times while they are engaged by the Board and thereafter, (i) hold all proprietary and confidential information of the Board in strictest confidence, (ii) not use or disclose for any purpose any proprietary and confidential information of the Board to any person, business or entity, except as specifically authorized in writing by the Board, and (iii) not disclose for any purpose any non-public information concerning their retention by the Board or their services for the Board, except as specifically authorized in writing by the Board. Vendors shall abide by all Board requirements and procedures for protecting the proprietary and confidential information of the Board, including signing and abiding by the Board's confidentiality agreements. Vendors who handle proprietary and confidential information on behalf of the Board or belonging to the Board must apply and maintain sufficient privacy and information security safeguards. Vendors shall also be subject to an information and data security assessment.
- **Media.** Vendors are prohibited from speaking to the press or making any public statements, oral or written, concerning their work for or on behalf of the Board without the express written authorization of the Board.
- **Reporting Concerns.** Vendors shall maintain a hotline or other reporting system for their workers to confidentially and anonymously report any information or concerns about suspected non-compliance or violations of law or improper conduct by any Vendor employee or agent without threat of reprisal, intimidation or harassment. If concerns are reported, Vendors shall

promptly and thoroughly investigate any such report and take corrective action as necessary and appropriate.

I certify by my signature below that I have received and reviewed, and am authorized on Vendor's behalf to agree that Vendor shall abide by this Code of Conduct:

Vendor Name: Epiq Bankruptcy Solutions, LLC



Signature of Vendor Authorized Representative

6/9/2017

Date

Deirdre McGuinness

Managing Director, Corporate Restructuring

Printed Name and Title of Vendor Authorized Representative

APPENDIX A

VENDOR CONFLICT OF INTEREST DISCLOSURE CERTIFICATION

All vendors, consultants, and or experts (“Vendors”) interested in conducting business with the Financial Oversight and Management Board for Puerto Rico (the “Board”) must complete and return this Vendor Conflict of Interest Disclosure Form to be eligible for a contract award. Disclosing a potential conflict of interest will not automatically disqualify the Vendor. The potential conflict of interest will be investigated to determine whether it precludes the contract award. In the event, however, that the Vendor does not disclose potential conflicts of interest and they are discovered by the Board, the Vendor will be barred from doing business with the Board.

Please note that all Vendors must comply with the Board’s Vendor Code of Conduct as stated within the certification section below.

No Conflict of Interest: Except as otherwise fully disclosed below (attach additional pages as needed), the Vendor affirms, to the best of its knowledge, information and belief, that no Interested Party (as defined in Schedule A hereto), nor any person associated with any Interested Party, is an employee, Director or Trustee, Officer or consultant to/of, or has any financial interest, direct or indirect, in the Vendor, or has received or will receive any financial benefit, directly or indirectly, from the Vendor or from the contract associated with this certification.

For the purposes of this certification, “associated” persons include: a spouse, domestic partner, child, parent or sibling of an Interested Party; a person with whom an Interested Party has a business or other financial relationship, including but not limited to employees of an Interested Party and/or a spouse, domestic partner, child, parent or sibling of such employees; and each firm in which an Interested Party has a present or potential interest.

No.	To the best of your knowledge:	YES	NO
1	Is any Interested Party, or any person associated with any Interested Party, associated with any employee, Director or Trustee, Officer or consultant to/of the Vendor?		X
If you answered “yes” to Question 1, please identify the names of the persons who are associated and describe the nature of their association below:			
No.	To the best of your knowledge:	YES	NO
2	Does any Interested Party, or any person associated with an Interested Party, have an ownership interest in the Vendor’s company?		X

If you answered “yes” to Question 2, please identify the name(s) of the person(s) who has/have such an ownership interest and describe the nature of the interest:

No.	To the best of your knowledge:	YES	NO
3	Has any Interested Party, or any person associated with an Interested Party, received, or will any Interested Party, or any person associated with an Interested Party receive, a financial benefit from the Vendor or from this contract?		X

If you answered “yes” to Question 3, please identify the name(s) of the person(s) who have received or will receive such a financial benefit and describe the nature of the benefit below:

No.	To the best of your knowledge:	YES	NO
4	Is any Interested Party, or any person associated with an Interested Party, contemporaneously employed or prospectively to be employed with the Vendor?		X

If you answered “yes” to Question 4, please identify the name(s) and title(s) of the person(s) who are or will be so employed below:

No.	To the best of your knowledge:	YES	NO
5	Is any Interested Party, or any person associated with an Interested Party, acting as a consultant for the Vendor?		X

If you answered “yes” to Question 5, please identify the name(s) of the person(s) acting as a consultant and describe the nature of his/her/their consulting services below:

No.	To the best of your knowledge:	YES	NO
6	Has the Vendor provided, or will the Vendor provide, any gifts or hospitality of any dollar value or any other gratuities to any Interested Party or elected official to obtain or maintain a contract?		X

If you answered “yes” to Question 6, please describe the nature of such gifts, hospitality, or other gratuities below, including (1) the recipient(s) of such gifts, hospitality, or other gratuities; (2) the date(s) on which such gifts, hospitality or other gratuities were provided; and (3) the exact (if possible) or approximate dollar value of such gifts, hospitality, or other gratuities:

No.	To the best of your knowledge:	YES	NO
7	Has any Interested Party, or any person associated with an Interested Party, provided any gifts of any dollar value or any other gratuities to Vendor?		X

If you answered “yes” to Question 7, please describe the nature of such gifts, hospitality, or other gratuities below, including (1) the recipient(s) of such gifts, hospitality, or other gratuities; (2) the date(s) on which such gifts, hospitality or other gratuities were provided; and (3) the exact (if possible) or approximate dollar value of such gifts, hospitality, or other gratuities:

I certify that the information provided is true and correct by my signature below:



Signature of Vendor Authorized Representative

6/9/2017

Date

Deirdre McGuinness
Managing Director, Corporate Restructuring

Printed Name of Vendor Authorized Representative

SCHEDULE A

For purposes of the Financial Oversight and Management Board for Puerto Rico's (the "Board") Vendor Conflict of Interest Disclosure Certification, the following entities and individuals are Interested Parties:

Ramón M. Ruiz, Interim Executive Director of the Board

Jaime A. El Koury, General Counsel of the Board

_____, Revitalization Coordinator

Andrew G. Biggs, Member of the Board

Jose B. Carrión III, Member of the Board

Carlos M. Garcia, Member of the Board

Arthur J. Gonzalez, Member of the Board

José R. González, Member of the Board

Gov. Alejandro García Padilla, Ex-Officio Member of the Board

Ana J. Matosantos, Member of the Board

David A. Skeel Jr., Member of the Board

Richard Ravitch, *Ex Officio* Member of the Board

Commonwealth of Puerto Rico (Primary Government)

9-1-1 Service Governing Board

Additional (Electronic) Lottery

Agricultural Enterprises Development Administration

Automobile Accidents Compensation Administration

Cardiovascular Center Corporation of Puerto Rico and the Caribbean

Commonwealth of Puerto Rico Regional Center Corporation

Company for the Integral Development of the "Península de Cantera"

Corporation for the "Caño Martín Peña" Project (ENLACE)

Corporation of Industries for the Blind and Mentally Retarded and Incapacitated Persons of Puerto Rico

Culebra Conservation and Development Authority

Economic Development Bank for Puerto Rico

Employees' Retirement System (ERS)

Employment and Training Enterprises Corporation

Farm Insurance Corporation of Puerto Rico

Fine Arts Center Corporation

Fiscal Agency and Financial Advisory Authority (AAFAF)

Governmental Development Bank for PR (GDB)

Institute of Puerto Rican Culture

Institutional Trust of the National Guard of Puerto Rico

Judiciary Retirement System (JRS)

Land Authority of Puerto Rico

Local Redevelopment Authority of the Lands and Facilities of Naval Station Roosevelt Roads

Model Forest

Municipal Revenue Collection Center (CRIM)

Musical Arts Corporation

Port of the Americas Authority

PR Aqueduct and Sewer Authority (PRASA)

PR Electric Power Authority (PREPA)

PR Highways and Transportation Authority (HTA)

PR Infrastructure Finance Authority (PRIFA)

PR Maritime Shipping Authority

PR Medical Services Administration (ASEM)

PR Sales Tax Financing Corporation (COFINA)

Public Building Authority (PBA)

Public Corporation for the Supervision and Deposit Insurance of Puerto Rico Cooperatives (COSSEC)

Puerto Rico and Municipal Islands Transport Authority

Puerto Rico Conservatory of Music Corporation

Puerto Rico Convention Center District Authority (PRCCDA)

Puerto Rico Council on Education

Puerto Rico Health Insurance Administration (HIA / ASES)

Puerto Rico Industrial Development Company (PRIDCO)

Puerto Rico Industrial, Tourist, Educational, Medical, and Environmental Control Facilities Financing Authority (AFICA)

Puerto Rico Integrated Transit Authority (PRITA)

Puerto Rico Land Administration

Puerto Rico Metropolitan Bus Authority (AMA)

Puerto Rico Municipal Finance Agency (MFA)

Puerto Rico Ports Authority

Puerto Rico Public Broadcasting Corporation

Puerto Rico Public Private Partnerships Authority (PPP)

Puerto Rico School of Plastic Arts

Puerto Rico Telephone Authority

Puerto Rico Tourism Company

Puerto Rico Trade and Export Company

Solid Waste Authority

Special Communities Perpetual Trust

State Insurance Fund Corporation (SIF)

Teachers' Retirement System (TRS)

The Children's Trust Fund (CTF)

Traditional Lottery

Unemployment Insurance Fund

University of Puerto Rico (UPR)

University of Puerto Rico Comprehensive Cancer Center

Exhibit C
SERVICES SCHEDULE

EXCHANGE OFFER, SUBSCRIPTION, AND/OR BALLOTING/TABULATION

Provide balloting services in connection with the solicitation process for any Title III Proceeding , including (as needed and requested by the FOMB and the Government):

➤ **Title III Treatment Election**

- Provide advice to Client and its counsel regarding any exchange offer or treatment election, including timing issues, procedures, and documents.
- Review all applicable documents, including, without limitation, any offering to exchange, letter of transmittal, or other applicable documents.
- Work with Client to request appropriate information with respect to any relevant bonds from The Depository Trust Company (“DTC”) and the indenture trustee/ paying agent.
- Forward confidential draft documents to DTC in order to determine whether DTC will permit the proposed exchange offer or treatment election to be processed via their Automated Tender Offer Program (“ATOP”).
- Act as exchange agent in one of the following capacities, as determined by DTC:
 - If DTC permits use of their ATOP system for the transaction, act as ATOP agent for the offer and coordinate the transaction with DTC; or
 - If DTC does not permit the use of their ATOP system for the transaction, facilitate exchanges via the “DWAC” withdrawal process to effect the removal of positions from DTC.
- Coordinate the distribution of documents to beneficial owners by forwarding the appropriate documents to the reorganization departments of relevant banks and brokerage firms holding the securities (or their agent), who in turn will contact their beneficial owners.
- Handle requests for documents from parties in interest, including brokerage firm and bank back-offices and institutional holders.
- Respond to telephone inquiries from banks, brokerage firms, beneficial owners and other parties regarding the exchange process and related paperwork. Epiq will restrict its answers to the information contained in the exchange offer documents, and will seek assistance from Client or its counsel on any questions that fall outside of the prepared documents.
- Receive and record applicable information with respect to exchanging or electing holders.

➤ **Title III: other elements, including a subscription rights offering**

- Provide advice to Client and its counsel regarding the subscription procedures and documents needed for the rights offering or other related transaction.
- Review all applicable documents, including, without limitation, rights offer/ subscription documents and all procedural documents, forms, and other documents.
- Work with Client to request appropriate information with respect to any relevant bonds from DTC and the indenture trustee/ paying agent.
- Establish a subscription account for Client in connection with Epiq's role as subscription agent.
- Mail rights offering documents to registered record holders of securities, if any
- Coordinate the distribution of rights offering documents to beneficial owners by forwarding the appropriate documents to the reorganization departments of relevant banks and brokerage firms holding the securities (or their agent), who in turn will contact their beneficial owners.
- Handle requests for documents from parties in interest, including brokerage firm and bank back-offices and institutional holders.
- Respond to telephone inquiries from banks, brokerage firms, beneficial owners and other parties regarding the subscription process and any related paperwork. Epiq will restrict its answers to the information contained in the rights offering documents, and will seek assistance from Client or its counsel on any questions that fall outside of the prepared documents.
- Receive and record applicable information with respect to subscribing holders and monitor wires into the subscription account, and prepare any necessary reporting.

➤ **Title III Balloting**

- Consult with Client and its counsel regarding timing issues, voting and tabulation procedures, and documents needed for the vote.
- Review of voting-related sections of any pleading to be filed with the District Court or publicly distributed.
- Assist in obtaining information regarding members of voting classes (and, if needed, assist Client in requesting these listings from applicable authorities), and work with Client to request appropriate information with respect to the bonds from DTC and the indenture trustee/ paying agent.
- Establish a website for the electronic solicitation and recording of votes cast in a Title III Proceeding.
- Coordinate the distribution of solicitation documents to the relevant parties.

- Respond to requests for documents from parties in interest.
 - Respond to telephone inquiries from citizens, lenders, bondholders and nominees regarding any vote with respect to a Title III Proceeding.
 - Receive and examine all votes, ballots and master ballots cast by voting parties. Date-stamp the originals of all such ballots and master ballots upon receipt.
 - Tabulate all votes, ballots and master ballots received prior to the voting deadline in accordance with established procedures, and prepare any required certification with respect thereto.
- Undertake such other duties as may be requested by the Client.

CLAIMS MANAGEMENT

- Maintain copies of all proofs of claim and proofs of interest filed (in hard copy and electronic form) for any Title III Proceeding.
- Provide a secure on-line tool through which creditors can file proofs of claim and related documentation, eliminating costly manual intake, processing and data entry of paper claims and ensuring maximum efficiency in the claim-filing process.
- Create and maintain electronic databases for creditor/party in interest information provided by the debtor (e.g., creditor matrix) and creditors/parties in interest (e.g., proof of claim/interests).
- Process all proof of claim/interest submitted.
- Provide access to the public for examination of copies of the proofs of claim or interest without charge during regular business hours.
- Maintain official claims registers, including, among other things, the following information for each proof of claim or proof of interest:
- Name and address of the claimant and any agent thereof, if the proof of claim or proof of interest was filed by an agent;
 - Date received;
 - Claim number assigned; and
 - Asserted amount and classification of the claim.
- Create and maintain a website with general case information, key documents, claim search function, and mirror of ECF case docket.

- Transmit to the Clerk's office a copy of the claims registers on a monthly basis for any Title III Proceeding, unless requested by the Clerk's office on a more or less frequent basis or, in the alternative, make available the claims register on-line.
- Implement necessary security measures to ensure the completeness and integrity of the claims registers.
- Record all transfers of claims and provide notice of such transfers.
- Maintain an up-to-date mailing list for all entities that have filed a proof of claim, proof of interest or notice of appearance in any Title III Proceeding, which list shall be available upon request of a party in interest or the Clerk's office.

NOTICING

- Design, as requested and directed by the Client, a process for publication notice of creditors, should the names and addresses of such creditors not be available to Client or should direct notice to such creditors be impracticable (and as directed by Client).
- Prepare and serve required notices, including, without limitation, notice of bar date, as Client or the Court may deem necessary or appropriate for an orderly administration of the Client's PROMESA proceedings.
- After service of a particular notice in a Title III Proceeding - whether by regular mail, overnight or hand delivery, email or facsimile service - file with the Clerk's office an affidavit of service that includes a copy of the notice involved, a list of persons to whom the notice was mailed and the date and manner of mailing.
- Update claim database to reflect undeliverable or changed addresses.
- Coordinate publication of certain notices in periodicals and other media.
- Distribute Claim Acknowledgement Cards to creditor having filed a proof of claim/interest.

CRISIS AND COMMUNICATION MANAGEMENT

- Draft crisis and restructuring communications plan and provide strategy, guidance and plan implementation support.
 - Media Strategy – Work with and advise Client on a media strategy that supplements existing media processes and procedures.

- Customer, Vendor and other Constituent Outreach – Create outreach strategy and develop supporting documents.
- Employee Communications – Draft employee communications, leverage employee relationships by keeping employees informed, maintaining productivity and engendering trust.
 - Document Development – The communications team, in collaboration with Client and its legal, financial, and other advisors, will prepare all necessary documents such as letters, Q&A, talking points, etc. for use with media, citizens, employees, customers, vendors and other critical constituents.
 - Dissemination of communication materials – Client and/or the communications team will distribute communications documents/emails/etc. to all constituencies to ensure timely information flow to its employees, customers, vendors, and the like.
 - Draft Ongoing Messages – The communications team will draft updated memos and follow-up letters to citizens, customers, vendors, etc., as Client moves through the restructuring process.

CALL CENTER

- Provide state-of-the-art Call Center facility and services, including (as needed):
 - Create frequently asked questions, call scripts, escalation procedures and call log formats.
 - Record automated messaging.
 - Train Call Center staff.
 - Maintain and transmit call log to Client and advisors.

MISCELLANEOUS

- Provide such other claims processing, noticing and related administrative services as may be requested from time to time by the Client.
- Promptly comply with such further conditions and requirements as the Client or the Court, as applicable, may at any time request or prescribe.
- Comply with applicable federal, state, municipal, and local statutes, ordinances, rules, regulations, orders and other requirements.
- Provide temporary employees to the Clerk's Office, if applicable, to process claims, as necessary.

Exhibit B

McGuinness Declaration

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

-----X
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)

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT
SYSTEM OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO (“ERS”),
Debtor.²

PROMESA
Title III

No. 17 BK 3566-LTS
(Joint Administration Requested)

This Declaration relates only to ERS
and HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

-----X

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); and (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474).

² The last four (4) digits of ERS’s federal tax identification number are 9686.

-----X

In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

No. 17 BK 3567-LTS

as representative of

(Joint Administration Requested)

THE PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”),

This Declaration relates only to ERS
and HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

Debtor.³

-----X

**DECLARATION OF DEIRDRE A. MCGUINNESS IN SUPPORT OF APPLICATION
OF THE DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING THE
EMPLOYMENT AND PAYMENT OF EPIQ BANKRUPTCY SOLUTIONS,
LLC AS SERVICE AGENT, NUNC PRO TUNC TO THE PETITION DATE**

I, Deirdre A. McGuinness, under penalty of perjury, declare as follows:

1. I am a Managing Director with Epiq Bankruptcy Solutions, LLC (“Epiq”), and I am authorized to make and submit this declaration on behalf of Epiq. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and if called and sworn as a witness, I could and would testify competently thereto.

2. This Declaration is made in support of the *Application of the Debtors for Entry of an Order Authorizing the Employment and Payment of Epiq Bankruptcy Solutions, LLC as Service Agent, Nunc Pro Tunc to the Petition Date* (the “Application”).⁴

3. Epiq is comprised of leading industry professionals with significant experience in both the legal and administrative aspects of large, complex cases under the Bankruptcy Code. Epiq’s professionals have experience in noticing, claims administration, solicitation, balloting,

³ The last four (4) digits of HTA’s federal tax identification number are 3808.

⁴ Capitalized terms used but not otherwise defined herein shall have the meanings used in the Application.

and facilitating other administrative aspects of bankruptcy cases. The Debtors and their creditors will benefit from Epiq's retention because Epiq has developed efficient and cost-effective methods in this area of expertise, and is fully equipped to handle the volume of mailing involved in properly sending the required notices to creditors in the HTA/ERS Title III Cases. Epiq has substantial experience in bankruptcy cases, and has acted as the official notice agent in numerous bankruptcy cases. *See, e.g., In re Emas Chiyoda Subsea Limited*, Case No. 17-31146 (MI) (Bankr. S.D. Tex. Mar. 1, 2017); *In re Illinois Power Generating Co.*, Case No. 16-36326 (MI) (Bankr. S.D. Tex. Jan. 25, 2017); *In re Scout Media Inc.*, Case No. 16-13369 (MEW) (Bankr. S.D.N.Y. Dec. 20, 2016); *In re Basic Energy Services, Inc.*, Case No. 16-12320 (KJC) (Bank. D. Del. Oct. 26, 2016); *In re American Gilsonite Company*, Case No. 16-12316 (CSS) (Bankr. D. Del. Oct. 26, 2016); *In re Atlas Res. Partners, LP*, Case No. 16-12149 (SHL) (Bankr. S.D.N.Y. Aug. 8, 2016); *In re Halcon Resources Corporation*, Case No. 16-11724 (BLS) (Bankr. D. Del. July 29, 2016); *In re Warren Resources Inc.*, Case No. 16-32760 (MI) (Bankr. S.D. Tex. June 2, 2016); *In re Dex Media, Inc.*, Case No. 16-11200 (KG) (Bank. D. Del. May 15, 2016); *In re Offshore Group Investment Limited*, Case No. 15-12422 (BLS) (Bankr. D. Del. Dec. 04, 2015); *In re Fresh & Easy, LLC*, Case No. 15-12220 (BLS) (Bank. D. Del. October 30, 2015); *In re Allen Systems Group, Inc.*, Case No. 15-10332 (KJC) (Bankr. D. Del. Feb. 18, 2015); *In re Deb Stores Holding, LLC*, Case No. 14-12676 (KG) (Bankr. D. Del. Dec. 4, 2014); *In re AWI Delaware, Inc.*, Case No. 14-12092 (KJC) (Bankr. D. Del. Sept. 9, 2014); *In re Natrol, Inc.*, Case No. 14-11446 (BLS) (Bankr. D. Del. June 11, 2014); *In re Energy Future Holdings Corp.*, Case No. 14-10979 (CSS) (Bankr. D. Del. May 2, 2014); *In re F & H Acquisition Corp.*, Case No. 13-13220 (KG) (Bankr. D. Del. Dec. 17, 2013); *In re TPO Hess Holdings, Inc.*, Case No. 13-11327 (KJC) (Bankr. D. Del. May 23, 2013).

4. As the Service Agent in the HTA/ERS Title III Cases, Epiq will perform, at the request of the Debtors and the Oversight Board, the services specified in the Application. In performing such services, Epiq will charge the Debtors the rates set forth in the Engagement Agreement, which is attached as **Exhibit A** to the Application.

5. Epiq represents, among other things, the following:

- (a) Epiq will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the Service Agent in the HTA/ERS Title III Cases;
- (b) By accepting employment in the HTA/ERS Title III Cases, Epiq waives any rights to receive compensation from the United States government in connection with the HTA/ERS Title III Cases;
- (c) In its capacity as the Service Agent in the HTA/ERS Title III Cases, Epiq will not be an agent of the United States and will not act on behalf of the United States;
- (d) Epiq will not employ any past or present employees of the Debtors in connection with its work as the Service Agent in the HTA/ERS Title III Cases;
- (e) In its capacity as Service Agent in the HTA/ERS Title III Cases, Epiq will not intentionally misrepresent any fact to any person;
- (f) Epiq will comply with all requests of the Clerk's office and all orders of the Court;
- (g) None of the services provided by Epiq as Service Agent in the HTA/ERS Title III Cases shall be at the expense of the Clerk's office; and
- (h) If any new facts or relationships are discovered, Epiq will supplement its disclosure to the Court.

6. The Debtors have many creditors, and accordingly, Epiq may have rendered and may continue to render services to certain of these creditors in matters unrelated to the HTA/ERS Title III Cases, either as vendors or in cases where Epiq serves in a neutral capacity as a bankruptcy solicitation, claims, and/or noticing agent. Epiq has not and will not represent the separate interests of any such creditor in the HTA/ERS Title III Cases. Epiq has working

relationships with certain of the professionals employed by the Debtors and other parties herein, but such relationships are unrelated to the HTA/ERS Title III Cases. In addition, Epiq personnel may have relationships with some of the Debtors' creditors. Such relationships are, however, wholly unrelated to the HTA/ERS Title III Cases. Epiq has and will continue to represent clients in matters unrelated to the HTA/ERS Title III Cases and has had and will continue to have relationships in connection with matters unrelated to the HTA/ERS Title III Cases.

7. From time to time, Epiq partners or employees personally invest in mutual funds, retirement funds, private equity funds, venture capital funds, hedge funds, and other types of investment funds (the "Investment Funds"), through which such individuals indirectly acquire a debt or equity security of many companies, often without Epiq's or its personnel's knowledge. Each Epiq partner or employee generally owns substantially less than one percent of such Investment Fund, does not manage or otherwise control such Investment Fund, and has no influence over the Investment Fund's decision to buy, sell, or vote any particular security. The Investment Fund is generally operated as a blind pool, meaning that when the Epiq partners or employees make an investment in the Investment Fund, he, she, or they do not know what securities the blind pool Investment Fund will purchase or sell, and have no control over such purchases or sales.

8. From time to time, Epiq partners or employees may personally directly acquire a debt or equity security of a company that may be involved in the HTA/ERS Title III Cases. Epiq has a policy prohibiting its partners and employees from using confidential information that may come to their attention in the course of their work. In this regard, all Epiq partners and

employees are barred from trading in securities with respect to matters in which Epiq is employed.

9. To the best of my knowledge and except as disclosed herein, Epiq neither holds nor represents any interest materially adverse to the Debtors in connection with any matter on which it would be employed.

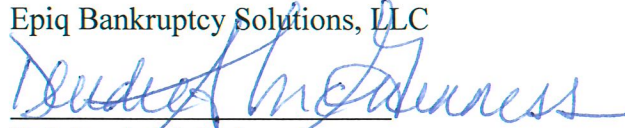
10. While providing the services under the Proposed Order, Epiq will comply with all applicable laws, rules, and regulations, as well as all applicable Oversight Board policies and rules, including without limitation the Oversight Board's Vendor Code of Conduct and Vendor Conflict of Interest Disclosure Certification, attached as an exhibit to the Engagement Agreement.

[Remainder of Page Intentionally Left Blank]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true
and correct to the best of my information, knowledge, and belief.

Executed on June 9, 2017

Epiq Bankruptcy Solutions, LLC



Deirdre A. McGuinness

Managing Director

Epiq Bankruptcy Solutions, LLC

Exhibit C

Proposed Order

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

-----X
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)

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT
SYSTEM OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO (“ERS”),

Debtor.²

PROMESA
Title III

No. 17 BK 3566-LTS

(Joint Administration Requested)

This Order relates only to ERS and
HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

-----X

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); and (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474).

² The last four (4) digits of ERS’s federal tax identification number are 9686.

-----X

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”),

Debtor.³

PROMESA

Title III

No. 17 BK 3567-LTS

(Joint Administration Requested)

This Order relates only to ERS and
HTA and shall be filed in the lead
Case No. 17 BK 3283-LTS, Case No.
17 BK 3566-LTS (ERS) and Case No.
17 BK 3567-LTS (HTA).

Re: ECF No. _____

-----X

**ORDER AUTHORIZING EMPLOYMENT
AND PAYMENT OF EPIQ BANKRUPTCY SOLUTIONS, LLC AS
SERVICE AGENT, NUNC PRO TUNC TO THE PETITION DATE**

Upon the *Application of the Debtors for Entry of an Order Authorizing Employment and Payment of Epiq Bankruptcy Solutions, LLC as Service Agent, Nunc Pro Tunc to the Petition Date* (the “Application”)⁴ filed by the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (the “ERS,” and together with the Commonwealth, COFINA, and HTA, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico, as the Debtors’ representative pursuant to PROMESA section 315(b); and the Court having found it has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Court having found that the Debtors provided adequate and appropriate

³ The last four (4) digits of HTA’s federal tax identification number are 3808.

⁴ Capitalized terms used but not defined in this Order have the meanings used in the Application.

notice of the Application under the circumstances and that no other or further notice is required; and the Court having reviewed the Application and having heard the statements of counsel in support of the Application at a hearing held before the Court (the “Hearing”); and upon the McGuinness Declaration submitted in support of the Application; and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Application is granted as set forth herein.
2. The Debtors are authorized and required to pay Epiq as Service Agent effective *nunc pro tunc* to the HTA/ERS Petition Date, all amounts arising under the Engagement Agreement, and Epiq is authorized and directed to perform the Services. The Clerk’s office shall provide Epiq with ECF credentials that allow Epiq to receive ECF notifications and file certificates of service.
3. In connection with performing the Services, Epiq is authorized to take direction from the Oversight Board and the Debtors and each of their respective representatives, employees, agents, and/or legal and financial professionals (collectively, the “Debtor Parties”); provided, however, that in the case of a conflict, the direction of the Oversight Board and its representatives, employees, agents, and professionals shall control. Epiq may rely upon any requests, advice, or information provided by the Debtor Parties to the same extent as if such requests, advice, or information were provided by the Debtors or the Oversight Board.

4. Subject to the terms of this Order, the applicable provisions of PROMESA, the Bankruptcy Code, and the Bankruptcy Rules, and any other applicable orders of the Court, the Debtors are authorized to compensate Epiq in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the services provided by Epiq and the rates charged for each, and to reimburse Epiq for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation without the need for Epiq to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses.

5. Epiq shall use its best efforts to avoid any duplication of services provided by any other agent retained by the Oversight Board or the Debtors in the HTA/ERS Title III Cases.

6. Epiq shall maintain records of all services showing dates, categories of services, fees charged, and expenses incurred, and shall serve monthly invoices on AAFAF, the Oversight Board, counsel for AAFAF, counsel for the Oversight Board, counsel for any statutory committee monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices.

7. Subject to entry of this Order, the applicable provisions of PROMESA, the Bankruptcy Code, and the Bankruptcy Rules, and any other applicable orders of this Court, all invoices shall be due and payable upon receipt.

8. The parties shall meet and confer in an attempt to resolve any dispute that may arise relating to the Engagement Agreement or monthly invoices; provided that the parties may seek resolution of the matter from the Court if resolution is not achieved.

9. Pursuant to Bankruptcy Code section 503(b)(1), made applicable by PROMESA section 301(a), the fees and expenses of Epiq under this Order shall be an administrative expense

of the Debtors.

10. In case of a good faith dispute with respect to an invoice amount, the Debtors or the Oversight Board shall provide a detailed written notice of such dispute to Epiq within ten (10) days of receipt of the invoice. Subject to the terms of this Order, the applicable provisions of PROMESA, the Bankruptcy Code, and the Bankruptcy Rules, and any other applicable order of the Court, the undisputed portion of the invoice will remain due and payable immediately upon receipt thereof.

11. The Debtors shall (a) pay any fees and expenses for Services relating to, arising out of, or resulting from any error or omission made by the Debtors, the Oversight Board, or the Debtor Parties and (b) pay or reimburse any taxes that are applicable to Services performed hereunder or that are measured by payments made hereunder and are required to be collected by Epiq.

12. If the employment relationship of Epiq is terminated pursuant to the Engagement Agreement, the Debtors shall remain liable for all amounts then accrued and/or due and owing to Epiq hereunder.

13. Upon entry of this Order, the Debtors shall pay Epiq a retainer of \$25,000 that may be held by Epiq as security for the Debtors' payment obligations under the Engagement Agreement. Epiq shall be entitled to hold the Retainer until the termination of the Engagement Agreement. Following termination of the Engagement Agreement, Epiq shall return to the Debtors any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

14. Epiq reserves the right to make reasonable increases to the Rate Structure on an annual basis effective on the first business day of each year. If such annual increases represent

an increase greater than 10% from the previous year's levels, Epiq shall provide 60 days' notice to the Debtors of such increases.

15. Epiq reserves all property rights in and to all materials, concepts, creations, inventions, works of authorship, improvements, designs, innovations, ideas, discoveries, know-how, techniques, programs, systems, specifications, applications, processes, routines, manuals, documentation, and any other information or property (collectively, "Property") furnished by Epiq for itself or for use by the Oversight Board or the Debtors under the Engagement Agreement. Fees and expenses paid by the Debtors shall not vest in the Debtors any rights in such Property. Such Property is only being made available for the Oversight Board or the Debtors' use during and in connection with the Services provided by Epiq hereunder.

16. While providing the Services, Epiq shall comply with all applicable laws, rules, and regulations, as well as all applicable Oversight Board policies and rules, including without limitation the Oversight Board's Vendor Code of Conduct and Vendor Conflict of Interest Disclosure Certification, attached as an exhibit to the Engagement Agreement.

17. Epiq is authorized to take such other action to comply with all duties set forth in the Application.

18. The Debtors shall indemnify and hold harmless Epiq and its members, directors, officers, employees, representatives, affiliates, consultants, subcontractors, and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, judgments, liabilities, and expenses, whether direct or indirect (including, without limitation, counsel fees and expenses) (collectively, "Losses") resulting from, arising out of, or related to Epiq's performance under the Engagement Agreement. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third parties against any

Indemnified Party, provided however, that any indemnification obligations will only be with respect to tasks performed in accordance with the terms of the Engagement Agreement. The Debtors' indemnification obligations shall survive the termination of the Engagement Agreement until the expiration of all applicable statutes of limitation with respect to Epiq's liabilities.

19. Epiq shall not be entitled to indemnification, contribution, or reimbursement for services other than the services provided under the Engagement Agreement, unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court.

20. The Debtors shall have no obligation to indemnify the Indemnified Parties, or provide contribution or reimbursement to the Indemnified Parties, for any losses, claims, damages, judgments, liabilities, and expenses resulting solely from Epiq's gross negligence or willful misconduct. Furthermore, Epiq and the Debtors shall notify each other in writing promptly upon the assertion, threat, or commencement of any claim, action, investigation, or proceeding that either party becomes aware of with respect to the services rendered under the Engagement Agreement.

21. If, before the earlier of (a) the entry of an order confirming a plan of adjustment in the HTA/ERS Title III Cases (that order having become a final order no longer subject to appeal) or (b) the entry of an order closing the HTA/ERS Title III Cases, Epiq believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including the advancement of defense costs, Epiq must file an application therefor in this Court, and the Debtors may not pay any such amounts to Epiq before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by

Epiq for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify Epiq. All parties in interest shall retain the right to object to any demand by Epiq for indemnification, contribution, or reimbursement.

22. The Debtors and the Oversight Board are responsible for, and Epiq does not verify, the accuracy of the programs, data, and other information provided by such party to Epiq and for the output of such information. The party delivering such information agrees, represents, and warrants to Epiq that before delivery of any information to Epiq: (a) the party delivering such information has full authority to deliver such information to Epiq; and (b) Epiq is authorized to use such information to perform the Services. Any data, storage media, programs, or other materials furnished to Epiq by the Debtors or the Oversight Board may be retained by Epiq until the Services provided under the Engagement Agreement are paid in full. The Debtors shall remain liable for all fees and expenses incurred by Epiq under the Engagement Agreement as a result of data, storage media, or other materials maintained, stored, or disposed of by Epiq. Any such disposal shall be in a manner requested by or acceptable to the Debtors and the Oversight Board; provided that if the Debtors and the Oversight Board have not utilized Epiq's Services for a period of 90 days or more, Epiq may dispose of any such materials, and be reimbursed by the Debtors for the expense of such disposition, after giving the Debtors and the Oversight Board 30 days' notice. The Debtors and the Oversight Board agree to initiate and maintain backup files that would allow the Debtors and the Oversight Board to regenerate or duplicate all programs, data, or information provided by the Debtors and the Oversight Board to Epiq. Disposal of any Debtors or Oversight Board data, storage media, or other materials shall comply with any applicable court orders and rules or the Clerk's office instructions.

23. In the event Epiq is unable to provide the services set out in this Order, Epiq will immediately notify the Clerk and counsel to the Oversight Board.

24. Epiq shall not cease providing the Services during the HTA/ERS Title III Cases for any reason without prior order of the Court authorizing Epiq to do so; provided that Epiq may seek such an order on expedited notice by filing a request with the Court with notice of such request to be served on the Oversight Board, the Debtors, the U.S. Trustee, and any statutory committee of creditors appointed, if any, in these cases by facsimile or overnight delivery; provided, further, that except as expressly provided herein, the Debtors and Epiq may otherwise terminate or suspend other services as provided under the Engagement Agreement.

25. The Debtors and Epiq are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application and Engagement Agreement.

26. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.

27. In the event of any inconsistency between this Order, the Engagement Agreement, and the Application, this Order shall govern.

28. Notwithstanding any term in the Engagement Agreement to the contrary, this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2017
San Juan, Puerto Rico

Honorable Laura Taylor Swain
United States District Judge