

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

In re:

ZOHAR III, CORP., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 18-10512 (CSS)

(Jointly Administered)

**VERIFIED STATEMENT PURSUANT TO FED. R. BANKR. P. 2019(a)**

In connection with the above-captioned chapter 11 cases, the holders (collectively, the “Controlling Class of Zohar III Noteholders”) of a majority of A-1 notes (the “Notes”) issued pursuant to that certain Indenture (as amended, modified, supplemented, or restated from time to time, the “Indenture”), dated as of April 6, 2007, between and among Zohar III, Limited, Zohar III, Corp., Zohar III, LLC, Natixis Financial Products, Inc., as Class A 1R Note Agent and Class A-1D Note Agent, and LaSalle Bank National Association, as trustee, by and through their undersigned counsel, hereby submit this verified statement pursuant to Rule 2019(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) in the above-captioned chapter 11 cases of the debtors (collectively, the “Debtors”).

1. The Controlling Class of Zohar III Noteholders holds claims or manages or advises certain funds and/or accounts that hold claims against the Debtors’ estates arising from and related to the Notes. Pursuant to Bankruptcy Rule 2019, the following is a list of the names, addresses, and “the nature and amount of each disclosable economic interest” held by each of the members of the Controlling Class of Zohar III Noteholders:

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<sup>1</sup> The Debtors, and, where applicable, the last four digits of their taxpayer identification number are as follows: Zohar III, Corp. (9612), Zohar II 2005-1, Corp. (4059), Zohar CDO 2003-1, Corp. (3724), Zohar III, Limited (9261), Zohar II 2005-1, Limited (8297), and Zohar CDO 2003-1, Limited (5119).

Client Name & Address	Economic Interest
Halcyon Capital Management LP <sup>2</sup> Attn.: John W. Greene, Jr. Pratik Desai 477 Madison Avenue, 8th Floor New York, NY 10022	\$191,382,000 of original principal in Notes
Coöperatieve Rabobank U.A., New York Branch Attn.: Salvatore Esposito Andrew Sherman 245 Park Avenue New York, NY 10167	\$200,000,000 of original principal in Notes
STS Master Fund, Ltd c/o Deer Park Road Management Company, LP Attn.: Robert Schwartz Scott Burg 1195 Bangtail Way Steamboat Springs, CO 80487	\$92,500,000 of original principal in Notes  \$76,807,790 of original principal in A-2 notes  \$30,000,000 of original principal in A-3 notes
SBF Opportunities Master Fund, Ltd c/o Deer Park Road Management Company, LP Attn.: Robert Schwartz Scott Burg 1195 Bangtail Way Steamboat Springs, CO 80487	\$2,500,000 of original principal in Notes  \$1,192,210 of original principal in A-2 notes
Candlewood Structured Credit Harvest Master Fund, LTD c/o Candlewood Investment Group, LP Attn.: Gregory Richter Daniel Kosinski 777 Third Avenue, Suite 19B New York, NY 10017	\$36,326,000 of original principal in Notes

2. On and after the filing of the chapter 11 case of Zohar CDO 2003-1 Ltd. and certain of its affiliates, in cases styled In re Zohar CDO 2003-1 Ltd., et al., Case No. 15-23680 (Bankr. S.D.N.Y.), the members of the Controlling Class of Zohar III Noteholders retained

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<sup>2</sup> The Zohar III Noteholders affiliated with Halcyon Capital Management LP are as follows: Ascension Alpha Fund LLC, Ascension Health Master Pension Trust, CAZ Halcyon Offshore Strategic Opportunities Fund, L.P., CAZ Halcyon Strategic Opportunities Fund, L.P., Praetor Fund I, Halcyon Brown University, HCN LP, Halcyon Eversource Credit LLC, HLF LP, HLDR Fund I NUS LP, HLDR Fund I TE LP, HLDR Fund I UST LP, Halcyon Vallée Blanche Master Fund LP, Halcyon Solutions Master Fund LP, and Gryphon Hidden Values VIII Limited.

Sidley Austin LLP to represent them as counsel with respect to their claims or interests. Thereafter, the engagement partner at Sidley Austin LLP transitioned to Arnold & Porter Kaye Scholer LLP (“Arnold & Porter”) on or about March 17, 2018. Each of the members of the Controlling Class of Zohar III Noteholders is in the process of engaging Arnold & Porter to continue the representation.

3. Womble Bond Dickinson (US) LLP (“WBD” and, together with Arnold & Porter, collectively, “Counsel”) was retained in March 2018 to act as Delaware co-counsel first with Sidley Austin LLP and subsequently with Arnold & Porter in the above-captioned chapter 11 cases.

4. Neither Arnold & Porter nor WBD hold any disclosable economic interests (as such term is defined in Bankruptcy Rule 2019) in relation to the Debtors as of the date that they were employed.

5. The information contained herein is based upon information provided by the Controlling Class of Zohar III Noteholders to Counsel and is provided for the purposes of Bankruptcy Rule 2019 and for no other purpose, and is subject to change.

6. Nothing contained herein is intended or shall be construed to constitute: (a) a waiver or release of the rights of the Controlling Class of Zohar III Noteholders to have any final order entered by, or other exercise of the judicial power of the United States performed by, an Article III court; (b) a waiver or release of the rights of the Controlling Class of Zohar III Noteholders to have any and all final orders in any and all non-core matters entered only after de novo review by a United States District Court; (c) consent to the jurisdiction of the Court over any matter; (d) an election of remedy; (e) a waiver or release of any rights the Controlling Class of Zohar III Noteholders may have to a jury trial; (f) a waiver or release of the right to move to

withdraw the reference with respect to any matter or proceeding that may be commenced in these chapter 11 cases against or otherwise involving the Controlling Class of Zohar III Noteholders; or (g) a waiver or release of any other rights, claims, actions, defenses, setoffs, or recoupments to which the Controlling Class of Zohar III Noteholders are or may be entitled, in law or in equity, under any agreement or otherwise, with all such rights, claims, actions, defenses, setoffs, and recoupments being expressly reserved.

The undersigned hereby verify the foregoing statement under penalty of perjury, to the best of their knowledge and belief, based upon information received from others.

Dated: March 27, 2018  
Wilmington, Delaware

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-and-

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