

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:))
)	Chapter 11
)	
SOUTHEASTERN GROCERS, LLC, <i>et al.</i> , ¹)	Case No. 18-10700 (MFW)
)	
Debtors.)	(Joint Administration Pending)
)	
)	

**VERIFIED STATEMENT PURSUANT TO
FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

The Ad Hoc Group (defined below), by and through its undersigned counsel, hereby submits this verified statement (the “Verified Statement”) pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and respectfully states as follows:

1. Morrison & Foerster LLP (“Morrison & Foerster”) represents an ad hoc group (the “Ad Hoc Group”) of unaffiliated funds, accounts, and/or managers of funds or accounts (the “Noteholders”) holding obligations arising from (i) the 9.25% Senior Secured Notes due 2019 issued by BI-LO, LLC, and BI-LO Finance Corp., pursuant to an Indenture dated as of February 3, 2011 (the “Senior Secured Notes”) and/or (ii) the 8.625%/9.375% Senior PIK Toggle Notes due 2018 issued by BI-LO Holding Finance, LLC and BI-LO Holding Finance, Inc., pursuant to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Southeastern Grocers, LLC (5190); ARP Ballentine LLC (6936); ARP Chickamauga LLC (9515); ARP Hartsville LLC (7906); ARP James Island LLC (9163); ARP Moonville LLC (0930); ARP Morganton LLC (4010); ARP Winston Salem LLC (2540); BI-LO Finance Corp. (0498); BI-LO Holding Finance, Inc. (9227); BI-LO Holding Finance, LLC (1412); BI-LO Holding, LLC (5611); BI-LO, LLC (0130); Dixie Spirits Florida, LLC (6727); Dixie Spirits, Inc. (2359); Opal Holdings, LLC (2667); Samson Merger Sub, LLC (4402); Winn-Dixie Logistics, LLC (2949); Winn-Dixie Montgomery Leasing, LLC (6899); Winn-Dixie Montgomery, LLC (2119); Winn-Dixie Properties, LLC (7105); Winn-Dixie Raleigh Leasing, LLC (6812); Winn-Dixie Raleigh, LLC (0665); Winn-Dixie Stores, Inc. (4290); Winn-Dixie Stores Leasing, LLC (7019); Winn-Dixie Supermarkets, Inc. (8837); and Winn-Dixie Warehouse Leasing, LLC (6709). The Debtors’ mailing address is 8928 Prominence Parkway, #200, Jacksonville, Florida 32256.

an Indenture dated as of September 30, 2013 (the “Senior PIK Toggle Notes,” and together with the Senior Secured Notes, the “Notes”).

2. The Ad Hoc Group retained Morrison & Foerster as of July 31, 2017, to represent it in connection with a potential restructuring of the above-captioned debtors and debtors-in-possession (the “Debtors”), and, as of the date of this Verified Statement, Morrison & Foerster continues to represent the Ad Hoc Group in connection with the Debtors’ chapter 11 cases. Morrison & Foerster does not represent or purport to represent any other entity or entities in connection with the Debtors’ chapter 11 cases. Morrison & Foerster does not represent the Noteholders or the Ad Hoc Group as a “committee” (as such term is employed in the Bankruptcy Code and Bankruptcy Rules) and, except as otherwise expressly stated in this Verified Statement, does not take to represent the interests of, and is not a fiduciary for, any creditor, party in interest, or other entity. In addition, except as otherwise expressly stated in this Verified Statement, the Ad Hoc Group does not represent or purport to represent, or serve as fiduciary for, any other entities in connection with the Debtors’ chapter 11 cases or otherwise.²

3. Morrison & Foerster has been advised by the members of the Ad Hoc Group that the individual members of the Ad Hoc Group either hold claims or act as investment managers or advisors (or are affiliates of entities that act as investment manager or advisors) to funds and/or accounts that hold claims against the Debtors’ estates arising from or related to the purchase of the Notes. In accordance with Bankruptcy Rule 2019, attached hereto as **Exhibit A** is a list of the names, addresses, nature, and amount of all disclosable economic interests in relation to the Debtors, as reported to Morrison & Foerster to be held by each member of the Ad Hoc Group as of the date of this Verified Statement.

² In addition, in connection with these chapter 11 cases, the Ad Hoc Group retained Drinker Biddle & Reath LLP as local counsel in an engagement agreement dated as of March 22, 2018.

4. The information set forth on Exhibit A, which is based on information provided by the applicable members of the Ad Hoc Group to Morrison & Foerster, is intended only to comply with Bankruptcy Rule 2019 and is not intended for any other purpose. Morrison & Foerster does not make any representation regarding the validity, amount, allowance, or priority of such claims and reserves all rights with respect thereto. Morrison & Foerster does not own, nor has it ever owned, any claims against or interests in the Debtors, except for the claims for services rendered to the Ad Hoc Group.

5. Nothing contained in this Verified Statement (or Exhibit A hereto) should be construed as a limitation upon, or waiver of, any rights of any member of the Ad Hoc Group, its respective affiliates, or any other entity, or an admission with respect to any fact or legal theory. Nothing herein should be construed as a limitation upon, or waiver of, any rights of the Ad Hoc Group or the Noteholders to assert, file, and/or amend any claim or proof of claim filed in accordance with applicable law and any orders entered in these cases.

6. Additional holders of Notes may become members of the Ad Hoc Group, and certain of the current members may cease to be members in the future. Morrison & Foerster reserves the right to amend this Verified Statement as necessary in accordance with the requirements set forth in Bankruptcy Rule 2019.

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Dated: March 27, 2018
Wilmington, Delaware

DRINKER BIDDLE & REATH LLP

/s/ Steven K. Kortanek

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-and-

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Counsel to the Ad Hoc Group

Exhibit A

<u>Name¹</u>	<u>Address</u>	<u>Nature and Amount of Disclosable Economic Interests²</u>
AllianceBernstein L.P.	1345 Avenue of the Americas New York, New York 10105	\$49,751,607 of Senior PIK Toggle Note Claims \$42,081,000 of Senior Secured Note Claims
Fidelity Management & Research Company	200 Seaport Boulevard, V13H Boston, Massachusetts 02210	\$168,203,777 of Senior PIK Toggle Note Claims \$154,611,000 of Senior Secured Note Claims
First Eagle Investment Management, LLC	1345 Avenue of the Americas, 48 th Floor New York, New York 10105	\$20,018,572 of Senior PIK Toggle Note Claims \$39,638,000 of Senior Secured Note Claims
Osterweis Capital Management	767 Fifth Avenue, 17th Floor New York, New York 10153	\$95,816,031 of Senior PIK Toggle Note Claims

¹ Each entity on this Exhibit A holds disclosable economic interests, or acts as investment advisor or manager to funds and/or accounts or their respective subsidiaries that hold disclosable economic interests in relation to the Debtors.

² To the best of Morrison & Foerster's knowledge, the information included herein is accurate as of the date hereof. The amounts set forth herein only include outstanding principal amounts and do not include accrued or unpaid interest or other amounts that may be owing under the applicable debt documents. In addition, the amounts set forth herein do not include any disclosable economic interests that are subject to pending trades or other transfers that have not settled or otherwise been closed as of the date hereof.