

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:
The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

In re:
The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Puerto Rico Electric Power Authority,

Debtor.

PROMESA
Title III

No. 17 BK 4780-LTS

**Court Filing Relates Only to
PREPA and Shall Only be Filed
in Case No. 17 BK 4780-LTS and
Main Docket 17 BK 3283-LTS**

FOURTH VERIFIED STATEMENT OF THE
MAJORITY MEMBER PREPA AD HOC GROUP PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rule 2019**”), and the *Order Further Amending Case Management Procedures* (the “**Case Management Order**”) [Case No. 17-3283, Dkt. No. 27218], this verified statement (the “**Fourth Verified Statement**”) is submitted by certain holders (the “**Majority Member PREPA Ad Hoc Group**”

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number 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); (ii) Puerto Rico Sales Tax Financing Corporation (“**COFINA**”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“**HTA**”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“**ERS**”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“**PREPA**”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“**PBA**”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

or the “**Majority Member AHG**”) of bonds (collectively, the “**Bonds**”) issued by the Puerto Rico Electric Power Authority (“**PREPA**”) under a trust agreement between PREPA and U.S. Bank National Association, as successor trustee, dated January 1, 1974, as amended and supplemented, in connection with the case (“**PREPA Title III Case**”) commenced by the above-captioned debtor on July 2, 2017 under Title III of PROMESA.

In support of the Fourth Verified Statement, the Majority Member AHG respectfully states as follows:

1. As of the date of this Fourth Verified Statement, in this Title III Case, the undersigned represent the Majority Member AHG (each holder in the Majority Member AHG, a “**Member**”).

2. Since 2014, Kramer Levin Naftalis & Frankel LLP had been representing the Ad Hoc Group of PREPA Bondholders (the “**KL Group**”) [Case No. 17-4780, Dkt. No. 3891]. On or about May 1, 2023, certain funds managed or advised by BlackRock Financial Management, Inc. (“**BlackRock**”), a member of the KL Group, retained Paul, Weiss, Rifkind, Wharton & Garrison LLP (“**Paul, Weiss**”) to represent them in connection with a potential restructuring of certain Bonds. On or about August 8 and August 9, 2023, certain funds managed or advised by Nuveen Asset Management, LLC (“**Nuveen**”), Franklin Advisers, Inc. (“**Franklin**”), Taconic Capital Advisors L.P. (“**Taconic**”), and Whitebox Advisors LLC (“**Whitebox**”), all members of the KL Group, contacted Paul, Weiss seeking separate representation. These five Members, who together comprised a majority of the KL Group, then engaged Paul, Weiss to represent them as a group in connection with a potential restructuring of the Bonds.

3. On August 23, 2023, Paul, Weiss and Toro Colón Mullet P.S.C. (“**Toro Colón**”) submitted the *First Verified Statement of the Majority Member PREPA Ad Hoc Group Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17- 3283-LTS, Dkt. No. 24993].

4. On November 3, 2023, Paul, Weiss and Toro Colón submitted the *Amended Second Verified Statement of the Majority Member PREPA Ad Hoc Group Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-3282-LTS, Dkt. No. 25547].

5. On November 29, 2024, Paul, Weiss and Toro Colón submitted the *Third Verified Statement of the Majority Member PREPA Ad Hoc Group Pursuant to Federal Rule of Bankruptcy Procedure 2019* [Case No. 17-3282-LTS, Dkt. No. 28498].

6. On or about January 30, 2025, certain funds managed or advised by Hudson Bay Capital Management LP also engaged Paul, Weiss to represent them, together with BlackRock, Franklin, Nuveen, Taconic, and Whitebox, in connection with a potential restructuring of the Bonds.

7. The Members of the Majority Member AHG hold, or are the investment advisors or managers of funds or accounts that hold, approximately \$2.32 billion in aggregate principal amount of the uninsured Bonds, including approximately \$98 million in aggregate principal amount of Monoline Maturity Bonds (as defined in **Exhibit A** hereto), and approximately \$72.1 million in aggregate principal amount of insured Bonds, as of January 31, 2025. In accordance with Bankruptcy Rule 2019 and the Case Management Order, the address and nature and amount of all disclosable economic interests for each Member is set forth in **Exhibit A**. The information contained in **Exhibit A** is based upon information provided by the Members to Paul, Weiss and is subject to change.

8. As of the date of this Fourth Verified Statement, Paul, Weiss and Toro Colón represent only the Majority Member AHG in connection with the PREPA Title III Case and do not represent or purport to represent any other entities with respect to PREPA's Title III Case.

9. In addition, each Member of the Majority Member AHG (a) does not assume any fiduciary or other duties to any other creditor or person and (b) does not purport to act, represent, or speak on behalf of any other entities in connection with the PREPA Title III case.

10. Nothing contained in this Fourth Verified Statement (or **Exhibit A** hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in PREPA held by any Member, its affiliates or any other entity, or (b) 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 any Member to assert, file, and/or amend any proof of claim in accordance with applicable law and any orders entered in these cases.

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

12. The undersigned reserve the right to amend or supplement this Fourth Verified Statement.

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I HEREBY CERTIFY that I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will notify case participants.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, January 31, 2025.

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**Admitted Pro Hac Vice*

Counsel for the Majority Member AHG

Counsel for the Majority Member AHG

EXHIBIT A

Name of Creditor ²	Address	Debtor	Nature and Amount of Disclosable Economic Interest ³	
			Bonds ⁴	
BlackRock Financial Management, Inc., on behalf of accounts managed or advised by it and its affiliates.	50 Hudson Yards New York, NY 10001	PREPA (Puerto Rico Electric Power Authority)	2012 Ser A	49,420,000
			2013 Ser A	82,870,000
			2016 Ser A-1	1,275,072
			2016 Ser A-2	6,432,789
			2016 Ser A-3	14,270,455
			2016 Ser B-3	14,270,454
			2016 Ser C-1	39,205,000
			2016 Ser C-2	39,205,000
		2016 Ser C-3	3,960,000	

² Each entity listed 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 Debtor.

³ To the best of counsel’s knowledge, the information included herein is accurate as of November 2, 2023. The amounts set forth herein include only outstanding principal and do not include overdue interest, interest on overdue interest and principal, and accrued interest or other amounts that may be owing under the applicable debt documents and laws.

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 November 2, 2023.

In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 12 of the Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of COFINA (the “**COFINA Plan**”), Case No. 17-3284 [Dkt. No. 561], all COFINA bonds were canceled on February 12, 2019. Members of the Majority Member AHG may hold new COFINA securities issued under the COFINA Plan. In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 28 of the Order and Judgment Confirming Modified Eight Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority (the “**Commonwealth Plan**”), Case No. 17-3283 [Dkt. No. 19813], all GO, ERS, and PBA bonds were canceled on March 15, 2022. Members of the Majority Member AHG may hold new Commonwealth, ERS, or PBA securities issued under the Commonwealth Plan. In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 16 of the Order and Judgment Confirming Modified Fifth Amended Title III Plan of Adjustment of the Puerto Rico Highways and Transportation Authority (the “**HTA Plan**”), Case No. 17-3567 [Dkt. No. 1415], all HTA bonds were canceled on December 6, 2022. Members of the Majority Member AHG may hold new HTA securities issued under the HTA Plan. In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 37 of the Findings of Fact, Conclusions of Law, and Order Approving Qualifying Modification for the Puerto Rico Infrastructure Financing Authority Pursuant to Section 601(m)(1)(d) of the Puerto Rico Oversight, Management, and Economic Stability Act (the “**PRIFA QM**”), Case No. 21-01492 [Dkt. No. 82], all PRIFA bonds subject to the Title VI proceeding were cancelled on March 15, 2022. Members of the Majority Member AHG may hold new PRIFA securities issued in connection with the PRIFA QM and Commonwealth Plan. In addition to the disclosable economic interests listed below, it should be noted that pursuant to paragraph 39 of the Findings of Fact, Conclusions of Law, and Order Approving Qualifying Modification for the Puerto Rico Public Finance Corporation Pursuant to Section 601(m)(1)(d) of the Puerto Rico Oversight, Management, and Economic Stability Act (the “**PFC QM**”), Case No. 22-01517 [Dkt. No. 78], all PFC bonds subject to the Title VI proceeding were cancelled on January 12, 2023. Members of the Majority Member AHG may hold new PFC securities issued in connection with the PFC QM.

⁴ With respect to any Capital Appreciation Bonds (“**CABs**”) held by the Members, the amounts disclosed consist of the CABs at their accreted principal amount, calculated as of November 2, 2023, and not the amount due upon maturity.

Name of Creditor ²	Address	Debtor	Nature and Amount of Disclosable Economic Interest ³	
			Bonds ⁴	
			2016 Ser C-4	3,963,000
			2016 Ser D-1	12,917,500
			2016 Ser D-2	10,270,280
			2016 Ser D-4	14,770,280
			2007 Ser TT	15,840,000
			2007 REF SER UU	23,450,000
			2007 REF-LIBOR-SER UU	20,030,000
			2008 SER WW	60,655,000
			2010 SER XX	76,880,000
			2010 REF SER ZZ	53,805,000
			2010 SER AAA	63,500,000
			2010 SER CCC	22,140,000
			2010 REF-SER DDD	4,705,000
			2010 Build America Bonds Taxable-SE	20,445,000
			2010 SER BBB	13,550,000
			2003 SER NN	2,100,000
			2007 REF SER VV	6,440,000
			2016 Ser D-3	12,917,500
			Total	\$689,287,330

Name of Creditor ²	Address	Debtor	Nature and Amount of Disclosable Economic Interest ³	
			Bonds ⁴	
Franklin Advisers, Inc., on behalf of accounts managed or advised by it.	One Franklin Parkway San Mateo, CA 94403	PREPA (Puerto Rico Electric Power Authority)	Power Rev 2005 SS	1,000,000 (Insured)
			Power Rev 2007 VV	63,940,000 (Insured)
			Power Rev Series 2007 TT	10,000,000
			Power Rev Series 2013 A	50,000,000
			Power Rev Series 2016 A-4	7,101,766
			Power Rev Series 2016 B-4	7,101,765
			Power Rev Series 2016 E-4	2,589,499
			Power Rev Series E-1	7,768,493
			Power Rev Series E-2	7,768,493
			Power Rev Series E-3	2,589,500
Total			\$159,859,516	
Hudson Bay Capital Management LP, on behalf of accounts managed or advised by it.	290 Harbor Drive 3rd Floor Stamford, CT 06902	PREPA (Puerto Rico Electric Power Authority)	2012 Ser A	21,225,000
			2013 Ser A	102,085,000
			2016 Ser C-1	7,675,000
			2016 Ser C-2	7,675,000
			2016 Ser C-3	715,000
			2016 Ser C-4	837,000
			2007 Ser TT	3,000,000
			2008 SER WW	14,605,000
			2010 SER XX	22,365,000
			Total	

Name of Creditor ²	Address	Debtor	Nature and Amount of Disclosable Economic Interest ³	
			Bonds ⁴	
Nuveen Asset Management, LLC, as investment adviser on behalf of certain funds/accounts, severally and not jointly.	333 W Wacker Drive Chicago, IL 60606	PREPA (Puerto Rico Electric Power Authority)	PUERTO RICO ELEC PWR AUTH REV 16C-4	2,000,000
			PUERTO RICO ELEC PWR AUTH REV 13A	82,228,000
			PUERTO RICO ELEC PWR AUTH REV 12A	130,893,000
			PUERTO RICO ELEC PWR AUTH REV 10ZZ	94,514,000
			PUERTO RICO ELEC PWR AUTH REV 10YY BAB	135,720,000
			PUERTO RICO ELEC PWR AUTH REV 10XX	121,245,000
			PUERTO RICO ELEC PWR AUTH REV 10EEE	132,120,000
			PUERTO RICO ELEC PWR AUTH REV 10DDD	14,652,000
			PUERTO RICO ELEC PWR AUTH REV 10CCC	78,846,000
			PUERTO RICO ELEC PWR AUTH REV 10AAA	107,617,000
			PUERTO RICO ELEC PWR AUTH REV 08WW	85,835,000
			PUERTO RICO ELEC PWR AUTH REV 07TT	113,562,000
			PUERTO RICO ELEC PWR AUTH REV 05SS	660,000
			PUERTO RICO ELEC PWR AUTH REV 03NN	8,400,000
			PUERTO RICO ELEC PWR AUTH 16A-4-RSA-1	1,000,000
			PUERTO RICO ELEC PWR AUTH 07VV	2,565,000 (Uninsured)
PUERTO RICO ELEC PWR AUTH 07VV	7,190,000 (Insured)			
Total			\$1,119,047,000	

Name of Creditor ²	Address	Debtor	Nature and Amount of Disclosable Economic Interest ³	
			Bonds ⁴	
Taconic Capital Advisors L.P. , as investment adviser on behalf of certain funds/accounts, severally and not jointly.	280 Park Avenue 5 th Floor New York, NY 10017	PREPA (Puerto Rico Electric Power Authority)	2007 REF-SER UU	17,995,000*
			2002 REF-SER MM	5,160,000*
			2005 REF-SER SS	37,055,000
			Total	\$60,210,000
Whitebox Advisors LLC , as investment adviser on behalf of certain funds/accounts, severally and not jointly.	3033 Excelsior Boulevard Suite 500 Minneapolis, MN 55416	PREPA (Puerto Rico Electric Power Authority)	2016 SER D-2-RSA-1	3,000,000
			2007 SER TT-RSA-1	1,670,000
			2008 SER WW-RSA-1	12,155,000
			2010 BABS-SER EEE-RSA-1	10,640,000
			2007 REF-SER UU-RSA-1	3,370,000
			2007 REF-LIBOR-SER UU-RSA-1	8,200,000
			2007 REF-SER UU	15,000,000*
			2005 REF-SER SS	37,805,000*
			2002 REF-SER MM	22,055,000*
			Total	\$113,895,000

* Indicates holdings of formerly insured Bonds that a Bond insurer acquired all rights to as a result of payments it made under its insurance policies and then sold, assigned, and transferred all of its rights, claims and interests arising from or on account of such Bonds or policy payments to certain Members of the Majority Member AHG (the “**Monoline Matured Bonds**”).