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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
SUNEDISON, INC., *et al.*,[1]	:	Case No. 16-10992 (SMB)
	:	
Debtors.	:	

[1] The Debtors in these chapter 11 cases are SunEdison, Inc.; SunEdison DG, LLC (N/A); SUNE Wind Holdings, Inc; SUNE Hawaii Solar Holdings, LLC; First Wind Solar Portfolio, LLC; First Wind California Holdings, LLC; SunEdison Holdings Corporation; SunEdison Utility Holdings, Inc.; SunEdison International, Inc.; SUNE ML 1, LLC; MEMC Pasadena, Inc.; Solaicx; SunEdison Contracting, LLC; NVT, LLC; NVT Licenses, LLC; Team-Solar, Inc.; SunEdison Canada, LLC; Enflex Corporation; Fotowatio Renewable Ventures, Inc.; Silver Ridge Power Holdings, LLC; SunEdison International, LLC; Sun Edison LLC; SunEdison Products Singapore Pte. Ltd.; SunEdison Residential Services, LLC; PVT Solar, Inc.; SEV Merger Sub Inc.; Sunflower Renewable Holdings 1, LLC; Blue Sky West Capital, LLC; First Wind Oakfield Portfolio, LLC; First Wind Panhandle Holdings III, LLC; DSP Renewables, LLC; Hancock Renewables Holdings, LLC; EverStream HoldCo Fund I, LLC; Buckthorn Renewables Holdings, LLC; Greenmountain Wind Holdings, LLC; Rattlesnake Flat Holdings, LLC; Somerset Wind Holdings, LLC; SunE Waiawa Holdings, LLC; SunE MN Development, LLC; SunE MN Development Holdings, LLC; SunE Minnesota Holdings, LLC; TerraForm Private Holdings, LLC; SunEdison Products, LLC; Hudson Energy Solar Corporation; SunE REIT-D PR, LLC; First Wind Energy, LLC; First Wind Holdings, LLC; Vaughn Wind, LLC; Maine Wind Holdings, LLC; SunEdison International Construction, LLC; and EchoFirst Finance Co., LLC.

PRELIMINARY OBJECTION OF AD HOC SHAREHOLDER COMMITTEE TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING ADEQUACY OF THE DEBTORS' DISCLOSURE STATEMENT; (B) APPROVING SOLICITATION AND NOTICE PROCEDURES WITH RESPECT TO CONFIRMATION OF THE DEBTORS' JOINT PROPOSED PLAN; (C) APPROVING THE FORM OF VARIOUS BALLOTS AND NOTICES IN CONNECTION THEREWITH; AND (D) SCHEDULING CERTAIN DATES WITH RESPECT THERETO

The *ad hoc* committee of equity interest holders (the "Ad Hoc Shareholder Committee") in the above-captioned chapter 11 cases of SunEdison, Inc., *et al.* (referred to herein as the "Debtors" or "SunEdison"), by and through its undersigned counsel, hereby objects on a preliminary basis[2] to the Debtors' Motion [Docket No. 2722] for, *inter alia*, entry of an order approving the Disclosure Statement [Docket No. 2672] (the "Disclosure Statement") for the Debtors' Plan of Reorganization [Docket No. 2671] (the "Plan"). In support of this preliminary objection, the Ad Hoc Shareholder Committee respectfully states as follows:

PRELIMINARY STATEMENT

1. The Ad Hoc Shareholder Committee is a group of individual investors who have pooled their resources to assert their rights in these chapter 11 cases. Supported by over 1,000 individual investors in SunEdison, the Ad Hoc Shareholder Committee and its cadre of allies represent at least 8 percent of SunEdison's total outstanding shares. [3]

2. Formed shortly after the Court declined to appoint an official equity committee for the second time, the Ad Hoc Shareholder Committee has waited patiently on the sideline of these

[2] The Ad Hoc Shareholder Committee reserves its rights to supplement this objection and file other or additional pleadings and documents in support hereof.

[3] The individuals who support the efforts of the Ad Hoc Shareholder Committee are a loose affiliation of shareholders, self-identified through social media, including former employees of SunEdison and other individual investors who, upon and information and belief, own the stock of SunEdison collectively aggregating at least 8 percent of outstanding shares.

chapter 11 cases hoping to obtain basic and essential information about the assets and liabilities of these estates, the Debtors' plan to reorganize, and in turn, the value of their investments. With the passage of more than one year in chapter 11, the Ad Hoc Shareholder Committee has watched its hopes for equity value dwindle, while the estates have been quietly dismembered and forced to bear the exorbitant costs of administration now totaling more than $120,000,000.

3. Believing that the Disclosure Statement and Plan would provide a solid factual foundation from which to understand the Debtors' past and current condition, the Ad Hoc Shareholder Committee was surprised to find that just the opposite is true: indeed, the Plan and Disclosure Statement serve only to darken the murky factual waters of these cases. As explained in greater detail below, the Plan and Disclosure Statement fail to address the following critical questions, among many others:

a. ***Decision Not to Reorganize:*** Why did the Debtors, the world's leading developer of renewable energy projects – an industry experiencing exponential growth – decide to liquidate rather than reorganize?

b. ***Dissipation of Billions of Dollars of Investment Capital:*** How did the Debtors raise $24 billion between 2013 and 2016, but manage to dissipate approximately $20 billion – *i.e.*, more than three-quarters of that amount – as of the petition date?

c. ***Failure to Account for $9 Billion Investment in Subsidiaries:*** How much are the Debtors' interests in their myriad direct and indirect subsidiaries worth – and what happened to the $9 billion the Debtors invested in them?

d. ***Eradication of the Debtors' Prized Servicing Business:***

- Were the Debtors' servicing contracts with the YieldCos[4] modified around the time of the bankruptcy filings to provide for unilateral termination by the YieldCos on 30 days' notice – thereby stripping the estates of significant value?

- How does the value ascribed to the Debtors' servicing business under the proposed YieldCo Settlement square with an enterprise value of

[4] Unless otherwise noted, capitalized terms shall have the same meaning as that ascribed to them in the Disclosure Statement.

$2.231 billion – the value SunEdison ascribed to that same business in January of 2016?

e. ***Unidentified Development Projects:*** What rationale did the Debtors employ in selling certain of its projects but not others? What international and domestic development projects remain assets of these estates, and what is the value of each of those projects?

f. ***An Ambiguous Description of an Unconfirmable Plan:***

- What is the amount of each class of claims under the Plan – both disputed and undisputed – and what consideration is being distributed to each class? What is the value of those distributions, in particular those that will be provided to the holders of Second Lien Claims?

- How do the proposed distributions under the Debtors' liquidating Plan compare to what holders of Claims and Interests would receive if the Debtors' cases were converted to chapter 7?

- Why does the Plan require all holders of Claims and Interests to release all causes of action against non-debtor parties who may have played a culpable role in the Debtors' collapse – and why is there special treatment for the holders of Second Lien Claims, who get to retain and pursue their causes of action?

4. The Disclosure Statement's decided failure to provide even the most basic information is in keeping with the course of the Debtors' cases over the past year. Indeed, much of the critical information about the Debtors, their businesses and affairs has been shared only with those invited to sign confidentiality agreements; similarly, many pivotal pleadings have been filed under seal. While individual shareholders have submitted letters to the Court expressing their concerns on a host of issues, shareholders as a group have had no practical ability to pursue discovery, let alone an opportunity to engage with the Debtors or the Creditors' Committee. Importantly, no independent party, such as an examiner, has been appointed to look into and report on the facts behind SunEdison's collapse and to "follow the money." In submitting this limited objection, the Ad Hoc Shareholder Committee hopes to shed some light on the informational deficiency which has plagued these cases since their inception.

BACKGROUND

5. On April 21, 2016, SunEdison and twenty-five other Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Thereafter, during the period June 1, 2016 to April 7, 2017, an additional twenty-six Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

6. On May 6, 2016, this Court entered an Order to Show Cause Why an Official Committee of Equity Security Holders Should Not Be Appointed [Docket No. 356]. On August 11, 2016, after a contested hearing, the Court entered an opinion and order [Docket No. 975] denying appointment of an official committee to represent equity security holders (the "Equity Committee Order"). The Court explained the shareholders had not, at that point, shown that their interests were not adequately protected, while also noting that "[i]f the facts change, the shareholders can renew their motions" and that they could, in the meanwhile, be heard "individually or as one or more ad hoc committees." (Equity Committee Order, p. 16). Thereafter, in January 2016, several shareholders mounted a second effort to obtain the appointment of an equity committee, which the Court again denied. It was soon after this effort that the Ad Hoc Shareholder Committee was formed, gaining the support of more than 1,000 individual investors representing at least 8% of the outstanding common stock of SunEdison.

7. On March 10, 2017, the Debtors filed their motions seeking approval of the YieldCo Settlement [Docket No. 2570], and set March 28, 2017 as the deadline for objecting thereto. Only on March 28, as the objection deadline passed, did the Debtors file their Plan and Disclosure Statement. With the filing of the Plan, for the first time it became clear that under the guise of "reorganization," the Debtors have liquidated not only specific development projects, but

also the heart of their businesses and operations – namely, the infrastructure for developing new projects and the extremely profitable business of servicing completed projects. It was only upon the filing of the Plan that the Ad Hoc Shareholder Committee and its shareholder-supporters learned that the business they had invested in – a business once touted as the "North Star in energy's new frontier" – would be eradicated.

OBJECTION

8. Section 1125(b) of the Bankruptcy Code requires the proponent of a plan to provide a disclosure statement containing "adequate information." In turn, "adequate information" is defined as:

> Information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan. . . .

11 U.S.C. § 1125(a)(1).

9. Full and fair disclosure is the foundation of chapter 11, and the adequacy of information contained in the disclosure statement is of paramount importance. *See, e.g., In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994) ("[o]f prime importance in the reorganization process is the principle of disclosure"); *Oneida Motor Freight, Inc. v. United Jersey Bank,* 848 F.2d 414, 417 (3d Cir. 1988) ("[t]he importance of full disclosure is underlaid by the reliance placed upon the disclosure statement by the creditors and the court. . . . we cannot overemphasize the debtor's obligation to provide sufficient data to satisfy the Code standard of 'adequate information'"); *In re Galerie Des Monnaies, Ltd.*, 55 B.R. 253, 259 (Bankr. S.D.N.Y.

1985) ("preparing and filing of a disclosure statement is a most important step in the reorganization of a [c]hapter 11 debtor").

10. A disclosure statement must "contain simple and clear language delineating the consequences of the proposed plan . . . and the possible. . . alternatives . . . ." *In re Copy Crafters Quickprint, Inc.,* 92 B.R. 973, 981 (Bankr. N.D.N.Y. 1988). *See also In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991) (disclosure statement must "clearly and succinctly inform the average . . . creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution"). In particular, a disclosure statement must provide enough information for parties in interest to understand the financial ramifications of the plan based on the particular facts and circumstances of the case at hand. *See, e.g., In re McLean Indus., Inc.,* 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987); *In re Ionosphere Clubs, Inc.,* 179 B.R. 24, 29 (S.D.N.Y. 1995).

11. A disclosure statement fails to meet the rigors of section 1125 if the basis of the plan can be revealed only because parties in interest took extensive discovery or undertook their own expert analysis. *See Official Comm. of Unsecured Creditors v. Michelson*, 141 B.R. 715, 719 (Bankr. E.D. Cal. 1992) (*citing In re Braten Apparel Corp.*, 21 B.R. 239, 259-60 (Bankr. S.D.N.Y. 1982). A plan proponent has an obligation in the first instance – namely, with the filing of the disclosure statement – to set forth information sufficient to allow parties in interest to make informed decisions about the plan. For the reasons set forth below, the Ad Hoc Shareholder Committee submits that the Disclosure Statement is informationally deficient and fails to meet the requirements of section 1125 of the Bankruptcy Code.

A. The Disclosure Statement Contains Inadequate Information to Evaluate the Merits of Liquidating the Company

12. Naïve though it may now sound, the Ad Hoc Shareholder Committee and its supporters fully expected that SunEdison – with its preeminent position in the renewable energy

sector, development staff on six continents and valuable servicing rights and state-of-the-art monitoring facilities for projects around the world – would seek to reorganize, thereby preserving and maximizing its value. These basic shareholder expectations were seemingly validated by the Debtors which, during the better part their year in in chapter 11, consistently maintained that they were reorganizing.[5] Only when the Plan and Disclosure Statement were filed was the ugly truth revealed: the Debtors' were engaged, *sub silentio,* in liquidating every one of their ongoing lines of business and would not be emerging from chapter 11 with even a shadow of their former operations or enterprises.[6]

13. The Disclosure Statement notes that before its filing, SunEdison "was the largest global renewable-energy development company" in the world. (Disclosure Statement, p. 14). Referencing the five major divisions of the Debtors' ongoing development business, the Disclosure Statement goes on to state that over the course of its chapter 11 cases, the "Debtors have largely wound up" their development activities, are seeking to dispose of its Solar Materials Business, and working "to facilitate a transition" of its final business line, the highly valuable servicing business, to the Yieldcos. (Disclosure Statement, p. 14). Some or all of these business segments had (or have) substantial going concern value and generated (or had the potential to generate) substantial

[5] *See, e.g.,* Declaration of Homer Parkhill in Response to Certain Requests to Appoint an Official Committee of Equity Security Holders at ¶¶ 4 and 5 [Docket No. 2216] (projecting that the Debtors' "operating assets . . . will generate net proceeds through the end of the third quarter of 2017 of $285 million," and following up with the hope that the Debtors "will reorganize around their equity interests in the Yieldcos and the earnouts they have received in various sale transactions"); Supplemental Declaration of Homer Parkhill in Support of DIP Financing at ¶¶ 10 [Docket No. 327] (stating that then-proposed DIP financing would "allow the Debtors to stabilize their businesses and provide time for the managements of TERP, GLBL and the Debtors to engage in a cooperative process to resolve the issues between them which, it is reasonable to assume, likely will reduce the overhang in the trading markets caused by the risk of a liquidation").

[6] The Plan and Disclosure Statement were released, whether by design or coincidence, immediately after the deadline for objecting to the YieldCo Settlement. Many shareholders believed the proceeds of the YieldCo Settlement were intended to provide the operating capital for SunEdison's reorganization and were thus lulled into not contesting the YieldCo Settlement. They had no way to know that rather than being the key to a value-maximizing reorganization, the YieldCo Settlement was designed as the final nail in the coffin for a company that had been almost entirely dismembered during its "reorganization proceeding."

synergies, making liquidation a stunning proposal, seemingly contrary to the fundamental duty of all chapter 11 debtors – namely, the duty to maximize the value of the estate on behalf of all parties in interest. The Disclosure Statement provides absolutely no way to understand why this was done, and whether it was or is a sound business strategy.

B. The Disclosure Statement Provides No Information About The Fate of Billions of Dollars of Investment Capital

14. As set forth in the Disclosure Statement, "from 2013 to 2016, SunEdison raised $24 billion through debt and equity offerings." (Disclosure Statement, p. 21). Presently, however, it appears the Debtors are claiming they cannot satisfy even $5 billion in claims.[7] The Disclosure Statement does not explain the incredible gap between these two numbers. Simply, where did approximately $20 billion go? Was it invested in projects? If so, how much and in what projects, and what are those projects worth now? Was it used for other investments? If so, how much and what investments, and what are those investments worth now? The answers to these basic questions are the fundamental precursor to any other question one might ask about these chapter 11 cases or the Plan. The Disclosure Statement simply ignores the $20 billion elephant in the room.

C. The Disclosure Statement Provides No Meaningful Information About SunEdison's Subsidiaries

15. SunEdison holds interests in a myriad of direct and indirect subsidiaries, and in other filings, the Debtors indicate that they have invested more than $9 billion in these subsidiaries.[8] However, the Disclosure Statement provides no information on these subsidiaries,

[7] The Disclosure Statement does not provide the value of distributions to be made under the Plan.

[8] *See* Monthly Operating Report for March, 2017 at p. 28 [Docket No. 2881] (showing that the Debtors, on a combined basis, have "Investments in Subsidiaries" of $9,073,466,861).

the investments SunEdison made in them, their current status, or the value represented by each subsidiary – *i.e.*, the most basic information needed by a party seeking to evaluate the Plan.

16. Moreover, while the decision was made to file chapter 11 petitions for some of the subsidiaries, many other subsidiaries remain outside of bankruptcy. The Disclosure Statement does not explain the rationale behind these important decisions. This opacity is highlighted by the fact that on April 7, 2016, *after* the filing of the Disclosure Statement and Plan, nine more entities have filed as Debtors, though none of them have to date provided schedules of assets or liabilities. The Disclosure Statement and Plan obviously do not discuss these filings nor provide any information on their significance.[9]

D. The Disclosure Statement Fails to Provide Adequate Information About the Fate of SunEdison's Servicing Business

17. Three months before filing its chapter 11 petitions, SunEdison prepared an investor presentation (the "January 2016 Investor Presentation") which placed an enterprise value of $2.231 billion on its servicing business, the majority of which arose from long-term operation and maintenance contracts with the YieldCos. Explaining that its services business has "[h]ighly stable cash flows with limited working capital and CapEx needs," the January 2016 Investor Presentation states:

- 83% of the contracts are for 6 years or longer duration; 64% of the contracts are 10 years or longer
- Majority of contracts with 1 - 5 years duration have automatic renewals in place
- Services business has had **no terminations in its history**

[9] Another telling indicator of the chaotic nature of this Disclosure Statement and Plan is the fact that the Debtors themselves apparently have trouble keeping track of something as basic as how many Debtors are included in the Plan. Depending on various sections in the Disclosure Statement, the Plan involves either forty-one Debtors (Disclosure Statement, pp. xv and 1) or forty-two Debtors (Disclosure Statement, pp. ii, note 1 and xv-xvi).

- **Substantially all contracts do not have termination rights in Change of Control**

(January 2016 Investor Presentation at p. 10) (emphasis supplied).

18. Notwithstanding the fact that as of January 2016, there were no servicing contract terminations in the SunEdison's history, and "substantially all" such contracts did not terminate upon a change of control, it now appears that these same servicing contracts were made unilaterally terminable by the YieldCos on 30 days' notice – destroying the value of these "highly stable cash flows." Is this true? If so, who agreed to make the servicing contracts unilaterally terminable and why? If the servicing contracts were modified, are such modifications subject to challenge? There is no mention of these matters in the Disclosure Statement.

19. Moreover, it appears that the value ascribed to the servicing contracts as part of the YieldCo Settlement is a tiny fraction of their value. It further appears that this *de minimus* value is based entirely upon the fact that the servicing contracts can be unilaterally terminated by the YieldCos on 30 days' notice. The Ad Hoc Shareholder Committee is entitled to basic information about this critical segment of the Debtors' businesses, none of which is presently contained in the Disclosure Statement.

E. The Disclosure Statement Fails to Provide Critical Information About the Debtors' Development Projects

20. SunEdison was a leader in creating renewable energy projects – and as the lifeline for the future of its businesses and operations, such projects were of paramount importance. Indeed, in a document prepared in connection with its DIP Financing, dated April 2, 2016, SunEdison listed a "subset" of nearly 60 projects expected to yield an increased value of close to $1 billion based on an incremental investment of $250 million – and an expected value-to-future-investment-ratio of around 3.6 times. What happened to these projects? What are they worth?

Since this list is only a "subset" of all development projects, what were SunEdison's other projects at that time – both domestic and international? What development projects still remain and what is their status? The Disclosure Statement provides answers to none of these questions.

21. The Disclosure Statement does make vague reference to "Residual Assets,"[10] a category into which the subsidiaries that house the development projects are apparently lumped. While the value of these subsidiaries – and the development projects which they maintain – will presumably flow to the holders of the Second Lien Claims through their ownership of equity in the Reorganized Debtors, the Disclosure Statement does not discuss any details of these subsidiaries.

22. With respect to the value of these "Residual Assets", the Disclosure Statement states that the Debtors "have the potential to recover approximately $436.5 million of potential net proceeds from Earnout Assets and Residual Assets, including receipt of additional contingent consideration (*e.g.*, earnouts), project sales, platform sales, and other opportunities from March 2017 through fourth quarter of 2018." (Disclosure Statement, p. 32). The Disclosure Statement then references the Financial Projections allegedly attached as Exhibit B-1 to the Disclosure Statement in support of these projections, only these projections have yet to materialize. Without more detail (and an explanation as to why the financial projections extend only through the end 2018), it is impossible to know and understand what exactly the Reorganized Debtors will be "reorganizing" around.

[10] Pursuant to the Plan, "Residual Assets" are defined as follows:

> 1.181 "Residual Assets" means assets of the Reorganized Debtors other than Repatriated Cash, Earnout Assets, and/or interests in the YieldCos, including, but not limited to, inventory, equipment, contractual rights, intellectual property, real property, fixtures, goods and ***equity interests in subsidiaries***. (Emphasis supplied.)

F. The Disclosure Statement Fails to Provide Fundamental Information About the Plan

23. As the Court is well aware, at the inception of these cases the Debtors were unable to provide a complete and accurate accounting of their assets. They have now had more than year since the filing date to gather, review and organize that basic information: what are the Debtors' assets, where are they located, and what is their value? The Disclosure Statement, while full of detailed legal provisions and disclaimers, contains no meaningful information on these fundamental questions. It lacks the essential information needed to satisfy the rigors of section 1125 of the Bankruptcy Code: a clear description of what the Plan does and what its confirmation would mean for parties in interest. A few of the more glaring deficiencies in its description of the Plan provisions are discussed below.

24. **Failure to Quantify Claims and Distributions Under the Plan.** The Disclosure Statement does not contain any information about the amount of claims in each class – either disputed or undisputed. This basic information, critical to making an informed decision about the Plan, is entirely missing. Similarly, the Disclosure Statement fails to provide usable information about the value of the distributions to be made under the Plan – making it impossible to confirm whether or to what extent the Plan violates the absolute priority rule.

25. Of critical importance, the holders of Second Lien Claims are slated to receive stock in the Reorganized Debtors, TERP shares and cash, but the Disclosure Statement does not provide any estimate of the value of this consideration. One component of this consideration -- the value of the stock in the Reorganized Debtors – cannot be ascertained because the Disclosure Statement does not identify the assets that are being retained by the Reorganized Debtors. For example, in addition to the deficiencies in assets values already discussed, it appears that the Reorganized

Debtors will maintain tax attributes potentially worth hundreds of millions of dollars – but nowhere does the Disclosure Statement attempt to value these tax attributes.[11]

26. Similarly, the Disclosure Statement fails to explain the value to be provided to the holders of general unsecured claims. The Plan provides for the creation of a GUC/Liquidation Trust to hold certain causes of action, the proceeds of which will fund distributions. (Disclosure Statement, p. 70). However, the Disclosure Statement provides no detail on what causes of action are slated to be transferred into the GUC/Liquidation Trust. And while these causes of action are to be identified on an exhibit, such exhibit was not provided.[12]

27. **No Analysis of the "Best Interests" Test.** The Disclosure Statement provides no information to determine whether the Plan provides for payments greater than those that would be realized in a chapter 7 liquidation, as required by section 1129(a)(7). This is often a relatively straightforward point – *e.g.*, when a Plan provides for the preservation of going concern value that would be lost in chapter 7. Given the fact that the Debtors propose a liquidating plan that contains broad releases of large potential claims against non-debtors, in this case, substantial questions are raised about whether the Plan will in fact generate value in excess of that which would be realized in a chapter 7 proceeding.

28. **Failure to Identify Scope and Impact of Third Party Releases.** SunEdison is not an "ordinary" chapter 11 case where a company encounters difficulties in a declining industry, enters bankruptcy and seeks to reorganize. Rather, SunEdison is the extraordinary case – the black

[11] The Disclosure Statement provides three boilerplate paragraphs on NOLs, none of which hint at their value or to whom that value will accrue. (Disclosure Statement, pp.123-24).

[12] The Disclosure Statement indicates that the exhibit identifying retained causes of action, and causes of action to be transferred to the GUC/Litigation Trust, will be filed "[p]rior to the confirmation hearing." Given the fact that such causes of action may be the most valuable asset of these estates, this is not a minor technical document, but one of potentially substantial import.

swan amongst large chapter 11 filings: it is or was a leader in a dynamic industry, with a diverse set of apparently thriving business operations on six continents, and over the course of three short years after raising billions of dollars, it collapsed, filed for chapter 11 and is now seeking to liquidate. The Disclosure Statement offers no information about the potential liability of a host of parties who may bear responsibility for this remarkable debacle – not just prepetition management, but also the Debtors' many accountants, auditors, underwriters, attorneys, partners, counterparties, and others. These causes of action could represent the largest asset of these estates, but the Disclosure Statement omits even the most basic information: who will maintain these claims and causes of action is a mystery (whether that be the Reorganized Debtors or the GUC/Liquidating Trust), just as is whether or not they are actually being released.[13]

29. Even more problematic is understanding the import of the Plan's sweeping releases, including the reason they are included and exactly who stands to benefit from them. "Released Parties" is defined to include "the Debtors and all of the Debtors' and Reorganized Debtors' current and former officers and directors, principals, employees, agents, current and former Affiliates, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals." (Plan § 1.177). The Disclosure Statement provides no way to evaluate the effect of releasing all of these non-debtor parties, as it contains no mention -- let alone analysis – of the potential liability of such parties.

30. The Plan apparently attempts to release non-debtor parties from liability not just to the Debtors, but also to the holders of Claims and Interests. Under the discussion entitled "Release by Holders of Claims and Interests," the Disclosure Statement states that the "Releasing Parties"

[13] The Disclosure Statement does mention that causes of action are to be released, but the information is confusing and incomplete. The provision entitled "Release by Debtors" says only "[To Come]." (Disclosure Statement, p. 94). Thus, there is no way to know what liability of third parties is being released, or why, and what potential causes of action may accrue to the holders of interests in the Reorganized Debtors.

release all possible claims against third parties related to SunEdison and its collapse. (Disclosure Statement, pp. 94-95). Section 1.177(j) of the Plan defines the "Releasing Parties" to include "all Holders of Claims and Interests to the fullest extent permitted by law." At best this language is vague and ambiguous, and parties are given no information to weigh the merits (or demerits) of giving up these potential causes of action.

31. In summary, billions of dollars were lost, but the Disclosure Statement provides no discussion how that happened, who may be responsible, or whether there are any prospects for recovery from the third-parties slated as beneficiaries of the sweeping releases. The Disclosure Statement describes apparent releases for third-party beneficiaries from any liability, while also stating that some unidentified causes of action are preserved – either for the Reorganized Debtors or the GUC/Liquidating Trust. Perhaps the drafters of the Disclosure Statement understand what all of this means, but no one reading the Disclosure Statement can possibly ascertain whether, if the Plan is ultimately confirmed, culpable third parties will be insulated from liability for their actions or what classes will benefit from any recoveries on those actions which are not released.

WHEREFORE, for the reasons set forth herein, the Ad Hoc Shareholder Committee respectfully requests that the Court (i) deny the approval of the Disclosure Statement, and (ii) grant such other and further relief as is just and proper.

Dated: May 8, 2017

/s/ Ancela R. Nastasi

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