

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,
et al.,

(Jointly Administered)

Debtors.¹

In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3567-LTS

THE PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (HTA),

Debtor.

[Caption continued on next page]

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) (Last Four Digits of Federal Tax ID: 8474).

In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3566-LTS

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

Debtor.

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ORDER AND NOTICE OF PRELIMINARY DESIGNATION OF MEDIATION TEAM
SETTING DEADLINE FOR OBJECTIONS TO MEMBERSHIP

Pursuant to 11 U.S.C. § 105, made applicable to these cases by section 301 of PROMESA, 48 U.S.C. § 2161, and to further the goal of the successful, consensual resolution of the issues raised in these debt adjustment proceedings, the Court hereby announces that it has designated a team of distinguished sitting federal judges who will be available to facilitate confidential settlement negotiations of any and all issues and proceedings arising in these cases. Each of these dedicated public servants has substantial judicial and other professional experience in complex financial matters, including insolvency proceedings, and will be designated, through the intercircuit assignment procedures of the Judicial Conference of the United States, to serve as a judicial mediator as needed in these cases.

The Mediation Team is led by Chief Judge Barbara Houser of the United States Bankruptcy Court for the Northern District of Texas. Judge Houser is joined by Circuit Judge Thomas Ambro of the United States Court of Appeals for the Third Circuit, Senior District Judge Nancy Atlas of the United States District Court for the Southern District of Texas, Bankruptcy Judge Christopher Klein of the United States Bankruptcy Court for the Eastern District of California, and Senior District Judge Victor Marrero of the United States District Court for the Southern District of New York. More detailed biographies of the mediators are attached to this Order and Notice.

Judge Houser will explain the mediation process in further detail at the Omnibus Hearing on June 28, 2017, in San Juan, Puerto Rico. Thereafter, the Mediation Team will identify the issues to be addressed and the sequence in which those issues will be addressed after

consulting with all interested parties and after considering confidential mediation statements that will be requested from the parties. Mediation sessions will be held as necessary, and both the participants and the mediators will be bound by confidentiality. Participation in mediation sessions will be voluntary, although all interested parties will be required to engage in good faith in preliminary discussions with representatives of the Mediation Team and in the submission of confidential mediation statements, which will allow the Mediation Team to develop a list of issues to be addressed in mediation and the sequence in which those issues will be addressed after assessing the relative priority of the issues to a resolution of the cases.

In order to insure the integrity of both the adjudicative process and the mediation process, the undersigned, as the judge presiding over these Title III cases and related proceedings, will not participate in the mediation process and the mediators will not provide any information about the positions taken by parties, or the substance of the mediation process, to the undersigned. The mediation process will remain confidential and separate from, and will proceed concurrently with, the adjudication of issues and proceedings in these Title III cases.

Any party in interest having an objection to the appointment of any member or members of the Mediation Team must lodge such objection confidentially, in writing, with the undersigned via email addressed to swaindprcorresp@nysd.uscourts.gov, no later than **June 20, 2017**. **Objections must not be filed on the public docket.** The objection must state the reason for the objection and provide all relevant supporting material, if any. The undersigned will consider any timely objections and submissions and will make the final appointment of Mediation Team members prior to the June 28, 2017 Omnibus Hearing. No objections will be shared with any member of the Mediation Team.

Pursuant to Local Civil Rule 1(f) of the United States District Court for the District of Puerto Rico, this Order suspends the Court's Local Civil Rule 83J for the specific Title III cases captioned above and their related adversary proceedings.

SO ORDERED.

Dated: June 14, 2017

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge

BARBARA J. HOUSER

Chief Judge, United States Bankruptcy Court, Northern District of Texas



Barbara J. Houser is the Chief United States Bankruptcy Judge in the Northern District of Texas. She serves on the Judicial Conference Committee on the Administration of the Bankruptcy System and is a member of the Federal Judicial Center faculty that teaches new bankruptcy judges. In March 2017, she was appointed by Chief Justice John G. Roberts, Jr., to the Board of Directors of the Federal Judicial Center.

Judge Houser, who lectures and publishes frequently on corporate restructuring and insolvency law, is a past chairman of the Dallas Bar Association's Committee on Bankruptcy and Corporate Reorganization, is a member of the Dallas and American Bar Associations, and is a fellow of the Texas and American Bar Foundations. She has been a contributing author to *Collier on Bankruptcy* and has taught Creditors' Rights as a Visiting Professor at the SMU Dedman School of Law.

Judge Houser has received a variety of awards and honors since taking the bench, including the Distinguished Alumni Award for Judicial Service from the SMU Dedman School of Law in February 2011; the Judge William Norton Jr. Judicial Excellence Award from the American Bankruptcy Institute in October 2014; and the Distinguished Service Award from the Alliance of Bankruptcy Inns of the American Inns of Court in October 2016.

Before becoming a United States Bankruptcy Judge on January 20, 2000, Judge Houser was in private practice, where she represented clients in a variety of significant Chapter 11 cases across the country, including serving as lead debtor's counsel for Dow Corning Corporation.

Judge Houser was elected a fellow of the American College of Bankruptcy in 1994, served as an officer and member of its Board of Directors, and remains active in the College. In 1996, she was elected a conferee of the National Bankruptcy Conference, an organization of nationally recognized scholars and experts in the bankruptcy field, and remains active in the Conference. After becoming a bankruptcy judge, she joined the National Conference of Bankruptcy Judges, served as its President in 2009-2010, and continues to serve the organization in various capacities. Judge Houser currently serves as the Vice President of Research/Grants for the American Bankruptcy Institute and is a member of the Executive Committee of the Board of Directors of ABI.

Judge Houser received her undergraduate degree from the University of Nebraska in 1975 with high distinction and her doctor of laws in 1978 from SMU Dedman School of Law, where she was an editor of the law review. Upon graduation from law school, she joined Locke, Purnell, Boren, Laney & Neely in Dallas and became a shareholder there in 1985. In 1988 she joined Sheinfeld, Maley & Kay, P.C. as the shareholder-in-charge of the Dallas office and remained there until she became a judge.

Locally, Judge Houser is the past chair of the Board of Directors of Legal Hospice of Texas, a nonprofit organization that provides legal services to low income, terminally ill clients. She remains a member of the Board.



THOMAS L. AMBRO

Judge, United States Court of Appeals, Third Circuit



Thomas L. Ambro is a Judge on the United States Court of Appeals for the Third Circuit. Prior to becoming a Judge in 2000, he was a member of the law firm of Richards, Layton & Finger, Wilmington, Delaware, where he was the head of its Bankruptcy Group and involved in many of the most significant reorganizations in the 1990s. Judge Ambro joined the firm in 1976 after a judicial clerkship with Delaware Supreme Court Chief Justice Daniel L. Herrmann. On the Third Circuit, Judge Ambro has authored over 1,000 opinions, many of which relate to bankruptcy and reorganization issues.

Judge Ambro is a past Chair of the Section of Business Law of the American Bar Association and past Editor of *The Business Lawyer*. He also is a past member of the Board of Trustees of the American Inns of Court Foundation, and in Delaware he is a past President of the Richard S. Rodney Inn of Court and a former Co-Chair of the Collins J. Seitz Bankruptcy Inn of Court. Within the Delaware State Bar Association, Judge Ambro is a former Chair of the Commercial Law Section and for 20 years chaired that Section's Committee on the Uniform Commercial Code. He currently is a member of the American Law Institute, the American College of Bankruptcy, and the National Bankruptcy Conference, where he served on its Executive Committee.

Judge Ambro is a member of the Third Circuit Judicial Council, the chair of its Budget Committee, and a member of several committees, including the Bankruptcy Judges Committee and the Automation and Technology Committee. At the national level, he is a member of the Judicial Conference's Committee on the Judicial Branch.

Judge Ambro has published numerous articles and lectured frequently throughout the country, including on bankruptcy and reorganization matters. Most recently, Judge Ambro delivered the inaugural King-Seligson Lecture on Bankruptcy and Corporate Reorganization, named after two renowned, deceased NYU law scholars—Professor Lawrence King, the former Editor-in-Chief of *Collier on Bankruptcy* (the principal treatise on bankruptcy law), and Professor Charles Seligson, a preeminent academic of his era on bankruptcy and creditors' rights. Judge Ambro graduated from Georgetown University's College in 1971 (Class of 1972) and from the Georgetown University Law Center in 1975.



NANCY FRIEDMAN ATLAS

Judge, United States District Court, Southern District of Texas



Nancy Friedman Atlas was appointed as a United States District Judge for the Southern District of Texas in August, 1995. Judge Atlas chaired the Southern District of Texas committee that drafted the District's Local Patent Rules. She also was instrumental in drafting the District's Alternative Dispute Resolution Program and serves as the Chair of its Standing ADR Panel of Neutrals.

Before her judicial appointment, Judge Atlas was a Shareholder and Director of the Houston law firm of Sheinfeld, Maley & Kay, P.C. from 1982 to 1995, where she concentrated on federal litigation and mediation. She mediated more than 400 court cases and arbitrated various disputes.

Prior to relocating to Texas, Judge Atlas practiced law in New York, NY, where she served as an Assistant United States Attorney in the Southern District of New York (Civil Division), was an associate with a New York law firm, and served as a law clerk to a United States District Judge in the Southern District of New York.

Judge Atlas was Chair of the American Bar Association's Standing Committee on Federal Judicial Improvements, a member of the ABA Section of Litigation's Council, the Council's Task Force on Multi-Jurisdictional Practice, and currently co-chairs the Section's Federal Practice Task Force. She has served as a member of the Section's Task Force on Judicial Independence, and the Task Force on Ethical Guidelines for Settlement. She also co-chaired the Section's Alternative Dispute Resolution Committee and was vice chair of the Section's Bankruptcy Committee.

Judge Atlas served as a Director and Treasurer of the Houston Bar Foundation, a Council Member of the State Bar of Texas's Section of Alternative Dispute Resolution, and Co-Chair of the Committee that drafted the Section's Ethical Guidelines for Mediators. Judge Atlas co-founded and was a Director and Vice President of the Association of Attorney-Mediators, Inc. (Houston Chapter). Judge Atlas is a member of the American Law Institute.

Judge Atlas is a frequent lecturer and has written extensively on federal litigation and alternative dispute resolution topics.

Judge Atlas graduated from Tufts University (1971) *magna cum laude* and Phi Beta Kappa. She earned a Juris Doctor degree from New York University School of Law (NYU) (1974), where she served as Managing Editor of NYU's *Annual Survey of American Law*, and received the law school's Vanderbilt Award for outstanding service.



Judge, United States Bankruptcy Court, Eastern District of California



Judge Christopher M. Klein has been a U.S. Bankruptcy Judge in the Eastern District of California since February 1988 and was Chief Judge 2008-2015. He also served a 10-year term on the Bankruptcy Appellate Panel of the Ninth Circuit (Chief Judge 2007-2008). During that time, he has presided over more than 150,000 cases and appeals under Bankruptcy Code Chapters 7, 9, 11, 12, 13, and 15.

Prominent recent cases on his docket include the Chapter 9 case of the City of Stockton, California, which culminated in a confirmed Plan for Adjustment of Municipal Debt, and the Chapter 11 case of the Roman Catholic Bishop of Stockton, which culminated in a confirmed Plan of Reorganization.

His judicial duties have included rules committees of the Judicial Conference of the United States. He was a member of Advisory Committee on the Federal Rules of Bankruptcy Procedure (2000-2007) and was that committee's liaison member on the Advisory Committee on the Federal Rules of Evidence (2001-2007).

Judge Klein co-chairs the American Bar Association's Chapter 9 Subcommittee, Business Bankruptcy Committee, Business Law Section.

As a member of the International Insolvency Institute, Judge Klein heads that organization's NGO delegation to the U.N. Commission on International Trade Law Working Group V on Cross-Border Insolvency and has been on the III delegation to the UNCITRAL Working Group VI on Security Interests.

He has been elected to the American College of Bankruptcy and the American Law Institute, as well as being a member of the National Conference of Bankruptcy Judges and the American Bankruptcy Institute.

Admitted to the bars of California, the District of Columbia, Illinois, and Massachusetts, he was Deputy General Counsel-Litigation, National Railroad Passenger Corporation (Amtrak), Associate at Cleary, Gottlieb, Steen & Hamilton, Trial Attorney in the U.S. Department of Justice Civil Division, and a Judge Advocate.

Judge Klein's professional education was at the University of Chicago, where he earned both a Juris Doctor and a Master of Business Administration and was Executive Editor of the Law Review. From Brown University, he holds degrees of Bachelor of Arts and Master of Arts in History.

Lieutenant Colonel Klein, U.S. Marine Corps (ret.), was an artillery officer in Vietnam before becoming a Judge Advocate.



VICTOR MARRERO

Judge, United States District Court, Southern District of New York



Victor Marrero was appointed as a United States District Judge for the Southern District of New York on October 5, 1999, and assumed office on December 1, 1999. He was born in Santurce, Puerto Rico.

Judge Marrero began the practice of law in 1982 as a partner in the firm of Tufo & Zuccotti and then of Brown & Wood (by merger). His practice specialty was real estate, land use and environmental law, heading Brown & Wood's practice group in these areas in 1991-93. In 1993 he was appointed by President Clinton as Ambassador, United States Representative on the Economic and Social Council of the United Nations, and later as Ambassador, Permanent Representative of the United States to the Organization of American States.

Judge Marrero has taught real estate, land use, and environmental law as a Visiting Lecturer in Law at Yale Law School (1985-87) and Columbia Law School (1990-93). He was the recipient of the American Bar Association's Pro Bono Publico Award (1993) and of the New York State Bar Association's Root/Stimson Public Service Award (1992). In 1999, he was one of the recipients of the Ellis Island Medal of Honor.

Judge Marrero has actively participated in numerous civic and professional organizations. He was Founder and first Chairman of the board of the Puerto Rican Legal Defense and Education Fund. He was a director or trustee of the New York Public Library; the State University of New York; The Cooper Union for the Advancement of Science and Art; Educational Broadcasting Corporation, WNET Channel 13; and the New York City Partnership. Judge Marrero was actively involved with the Association of the Bar of the City of New York as Vice President, a member of the Executive Committee and the Judiciary Committee, Delegate to the New York State Bar Association House of Delegates, and as a Board member of the Committee for Modern Courts.

Judge Marrero also has served as Chairman, New York State Chief Judge's Committee to Improve the Availability of Legal Services; Co-Chair, Chief Judge's Pro Bono Review Committee; and a member of Governor Cuomo's Task Force on Bias-Related Violence; Mayor Koch's Panel on Parks and the Constitution; Mayor Dinkins's Management Advisory Committee and Commission on the Homeless; and Yale University's Urban Advisory Committee.

Judge Marrero graduated from New York University with a B.A. degree (cum laude, with Honors in History) in 1964. He received his law degree in 1968 from Yale Law School, where he served as an editor of the Yale Law Journal. In 1966-67 Judge Marrero studied as a Fulbright Scholar at the University of Sheffield (England) School of Law.

Upon graduation from law school, Judge Marrero began a public service career in federal, state and city governments. He first served as an Assistant to the Mayor under New York City Mayor John V. Lindsay, who later appointed him as Assistant Administrator of the Model Cities Administration and then Executive Director of the Department of City Planning. He subsequently served as Special Counsel to the New York City Comptroller (Harrison J. Goldin); First Assistant Counsel to the Governor (Hugh L. Carey); Chairman, New York City Planning Commission; Commissioner, New York State Division of Housing and Community Renewal; and Under Secretary, U.S. Department of Housing and Urban Development, by appointment of President Jimmy Carter in 1979.

