UNITED STATES BANKRUPTCY C	OURT
SOUTHERN DISTRICT OF NEW YO)RK

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In re : Chapter 11 Case No.

:

AMR CORPORATION, et al., : 11-15463 (SHL)

11 15405 (511)

Debtors. : (Jointly Administered)

:

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NOTICE OF: CREDITOR LAWRENCE M. MEADOWS' OBJECTION TO REORGANIZED DEBTORS' MOTION FOR ORDER (I) AUTHORIZING (A)
RELEASE OF EXCESS RESERVE FUNDS FROM DISPUTED CLAIMS RESERVE
AND (B) REIMBURSEMENT OF PREPETITION CLAIM; (II) CLOSING THE CHAPTER 11 CASE; AND (III) GRANTING RELATED RELIEF

PLEASE TAKE FURTHER NOTICE in accordance with the customary practices of the Bankruptcy Court this Notice is served via U.S. Mail and E-mail upon, (i) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.), and (ii) the Debtors, c/o AMR Corporation, 4333 Amon Carter Boulevard, MD 5675, Fort Worth, Texas 76155 (Attn: D. Douglas Cotton, Esq.).

Dated: October 28, 2021;

Lawrence M. Meadows, Pro Se Creditor

I. M. Medows

P.O. Box 4344

Park City, UT 84060

Telephone: (516) 982-7718 lawrencemeadows@yahoo.com

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.

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AMR CORPORATION, et al., : 11-15463 (SHL)

Debtors. : (Jointly Administered)

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CREDITOR LAWRENCE M. MEADOWS' OBJECTION TO REORGANIZED

DEBTORS' MOTION FOR ORDR (I) AUTHORIZING (A) RELEASE OF EXCESS

RESERVE FUNDS FROM DISPUTED CLAIMS RESERVE AND (B)

REIMBURSEMENT OF PREPETITION CLAIM; (II) CLOSING THE CHAPTER 11

CASE; AND (III) GRANTING RELATED RELIEF

TO THE HONORABLE SEAN H. LANE, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, the Pro Se Creditor, shareholder, and aggrieved disabled American

Airlines pilot, Lawrence M. Meadows (hereinafter "Meadows"), who hereby files his, *Objection to*Reorganized Debtors Motion for Order (I) Authorizing (A) Release of Excess Reserve Funds from

Disputed Claims Reserve and (B) Reimbursement of Prepetition Claim; (II) Closing the Chapter

11 Case; and (IIi) Granting Related Relief. ("Debtors' Closing Motion")

PRELIMINARY STATEMENT

1. Meadows respectfully request this Court disallow the Debtors' Closing Motion as for three reasons. First, there are outstanding unliquidated, unobjected, and unresolved claims related to the EEOC Consent Decree Order and Settlement Amount which still pending litigation via Motions in this tribunal, and its associated non-effective Order is still pending Appeal(s) in the U.S. District Court of SDNY. Thus, there is a likelihood that ongoing litigation may

substantially increase the value to those claims to up to \$100M¹, thereby making any further distributions from the Disputed Claims Reserve premature and prejudicial to certain creditors whose claims amounts remain unresolved and unpaid. Second, given these open motions, contested Orders, and pending Appeal(s) are NOT finally resolved, this case is NOT fully administered in accordance with the Rule 3022 of the U.S. Bankruptcy Code ("Code"). Third, Debtors' have consistently failed to provide full due process and Notice of Service to its self-admitted 1,500 aggrieved disabled employee Creditor, including Meadows and American Airlines' other similarly situated 240 plus MDD² disabled pilots. Thus, these aggrieved individual Creditors have not been properly noticed that they are in danger of losing their substantial rights in violation of the principle of equality within a class of creditors in violation of the Code.

PROCEDURAL HISTORY

On July 14, 2012, the U.S. Equal Employment Opportunity Commission, filed EEOC Proof of Claim No. 9676 in the unsecured <u>amount of unliquidated against American</u>, which listed the basis of the claim as, "Charge of discrimination No. 540-2009-01250 and <u>other aggrieved individuals."</u> (See Doc. 12861, Exhibit D).

During the 2/1/2018 Bankruptcy Hearing Re: Debtor's 9019 Motion Approving EEOC Settlement Agreement (Doc 12861), the Debtors' counsel asserted; "The original ask [by the EEOC] was, you know ten times what we actually settled for [\$9.8M]." (Bk, Hrg. Trg. Doc 12876 - Pg. 31:11-12). Showing that Debtors understood the EEOC valued claims related to Proof of Claim No. 9676 at around \$100M.

[&]quot;MDD" (Medical Disability Dropped from AA) is an internal status code assigned to pilots who were removed from American's pilot seniority list solely on the basis of being sick or disabled for more than 5 years. During the relevant time-frames American has approximately 942 disabled pilots who may be part of 1500 potentially "aggrieved individuals" that the Debtors have admitted are included in EEOC Proof of Claim No. 9676; but of those pilots the 241 MDD disabled pilots are most certainly aggrieved individuals.

- 3. On November 3, 2017, a lawsuit styled as *Equal Employment Opportunity Commission v*. *American Airlines, Inc. and Envoy Air Inc.* (D. Ariz., No. 2:17-cv-04059-SPL, Nov 3, 2017) in the United States District Court for the District of Arizona ("Arizona District Court" was filed by the "EEOC" (or "Plaintiff") asserting claims against American Airlines, Inc. ("American") and Envoy Air Inc. ("Envoy") (collectively, "Defendants," and together with the Plaintiffs, the "Parties") for systemic discrimination and retaliation on basis of medical disability in violation of the Americans with Disabilities Act of 1009 ("ADA") and Title I of the Civil Rights Act of 1991 (the "Arizona Litigation").
- 4. In the Arizona Litigation, the EEOC asserted that American and Envoy during the period of January 1, 2009 through August 3, 2015 (hereinafter "Discriminatory Period"), (Id. Doc 4-1 ¶14), had engaged in various nationwide unlawful patterns and practices that violated the ADA, including refusing to accommodate employees with disabilities, terminating employees with disabilities, and failing to rehire employees. Defendants' actions followed from a 100% return-to-work policy that requires employees to return to work without restrictions. The EEOC press release asserted that litigation was filed on behalf of 13 current and former employees of American and Envoy who filed charges with the EEOC, as well as a "nationwide group of potentially aggrieved individuals", all of whom were current or former American and Envoy employees who suffered disability discrimination or retaliation.
- 5. American and Envoy estimated that the nationwide group of potential claimants as set forth in the Consent Decree includes approximately 1,500 individuals, which includes Meadows and American's other similarly situated 241 MDD disabled pilots, who all who suffered from the exact same sort of discriminatory conduct during the exact same

discriminatory period for which the EEOC's Phoenix office filed the in **EEOC General Proof of**Claim No. 9676 in an unliquidated amount.

- 6. On November 3, 2017, the Parties entered into a Consent Decree (Doc 12861, Exhibit F). which, among other things, provides the EEOC with settlement consideration in the form of an American Airlines Unsecured Allowed Claim in the amount of \$9.8 million (the "Allowed Claim") to be distributed to the 13 Charging Parties and the approximately 1,500 potential claimants.
- 7. On November 16, 2017, the Arizona District Court entered an order granting the Joint Motion for Entry of Consent Decree and adopted and entered as the Consent Decree as the final judgment in the Litigation pursuant to Rule 54 of the Federal Rules of Civil Procedure, and closed the "Arizona Litigation"
- 8. On December 15, 2017, Debtors filed their, "Motion to Approve Compromise: Motion of Debtors for Entry of Order Pursuant to Fed. R. Bnkr. P. 9019(a) Approving Settlement Agreement and Resolving Certain Pending EEOC Litigation." (Doc 12861, Exhibits A and F), and did so without notice to any of American's 1,500 aggrieved disabled employees to include Meadows and the similarly situated 241 MDD disabled pilots.
- 9. On February 1, 2018, this Court held a hearing into Debtors 9019 Motion, and disabled American pilots Meadows and Emery orally argued their respective Objections to Entering the Order to approve the EEOC Consent Decree. (Hrg. Trans., Doc 12876).
- 10. On March 20, 2018, <u>Debtors</u> filed a Letter/Motion with the Honorable Sean H.

 Lane Regarding "Joint Proposed Order to Motion of Debtors for Entry of Order Pursuant to

 Fed. R. Bankr. P. 9019(a) Approving Settlement Agreement Resolving Certain Pending EEOC

 Litigation (Doc 12861)." More, specifically, that Letter/Motion, identified the major flaws in the

original Consent Decree and proposed to following revisions, to include; 1) "The parties propose a change to address the inclusion of pilots...", and 2) "The parties also agreed that Mr. Meadows and Ms. Emery should be included on the Employee Lists to ensure they receive formal notice given the Objections they raised" (Doc 12879 at 1).

11. Unbeknownst to Meadows, and once again without noticing him or other aggrieved individuals, on March 15, 2018, the Debtors' subsidiaries, Defendants American Airlines and Envoy Airlines, along with Plaintiff EEOC, collectively the Parties, filed in the Arizona Litigation their; "Joint MOTION for Entry of Amended Consent Decree by American Airlines Incorporated, Envoy Air Incorporated." Wherein, Debtors sought to amend the Consent to Decree to include pilots in the scope of the settlement, and make it become effectively immediately to circumvent the fact that the bankruptcy Court's 9019 would be contested on appeal and ultimately delay the "Effective Date." (See D. Ariz., Case No. 2:17-cv-04059-SPL, Doc 10). Specifically, American Airlines asserted the following in its Motion;

"As noted above, one of the pilots also expressed an intent to appeal any order of the Bankruptcy Court approving the Consent Decree. Because appeals of orders of the Bankruptcy Court of the Southern District of New York are first appealed to the Southern District and then to the Second Circuit, any appeal could take several years. To avoid a potential multi-year delay, American, Envoy and the EEOC request that this Court approve the Amended Consent Decree that does not require the parties to wait until any appeals of the Bankruptcy Court's order are completed for it to become effective. Rather, as reflected in the redline, attached as Exhibit 1 ("Redline"), Paragraph 8 of the Amended Consent Decree states that it will become effective once approved by this Court and the Bankruptcy Court, as opposed to when an order of the Bankruptcy Court becomes "final and non-appealable." (see Doc 10 at 3:3-26). [Emphasis Added].

- 12. On April 24, 2018, the U.S. District Court of Arizona entered an Order denying American Airlines proposed amendments of the original EEOC Consent Decree.
- 13. On May 3, 2018, Debtors' filed yet another Letter to the Honorable Sean H. Lane Regarding "Joint Proposed Order to Motion of Debtors for Entry of Order Pursuant to Fed. R.

 Bankr. P. 9019(a) Approving Settlement Agreement Resolving Certain Pending EEOC Litigation

 Objection to Debtors' Closing Motion

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- [Doc 12861]." ("Letter"), this time seeking to approve the original flawed Consent Decree (See Doc 12895). Note: despite Meadows being a known "Objector", the Debtors' never properly noticed him of their Proposed Order, as was acknowledged by this Court.
- 14. On May 16, 2018, this U.S. Bankruptcy Court entered its, "Agreed Order Signed On 5/16/2018, Approving Settlement Agreement Resolving Certain Pending EEOC Litigation." ("9019 Order). (Doc 12898).
- On June 15, 2018, Meadows filed an Appeal of this Court's 5/16/2018, "Agreed Order Signed On 5/16/2018, Approving Settlement Agreement Resolving Certain Pending EEOC Litigation." (Doc 12912). That matter is pending and docketed as Case No. 1:18-cv-06149-RA, in the U.S. District Court SDNY; wherein, Meadows seeks reversal of this Courts 9019 Order approving the EEOC Settlement Agreement. Until that and any subsequent appeals to the 2nd Circuit COA are fully exhausted and final, the EEOC Consent Decree's terms mandate that it cannot become "Effective", nor can any settlement amount associated with it (estimated or otherwise) be deemed final and accurate, much less valid.
- On or around May 16, 2018, in direct violation of this Court's Order, knowing the Consent Decree was not and still not yet effective, the Debtors' and claims agent, GCG, Inc. without authority expunged and deemed fully satisfied existing EEOC related proof of claims Nos. 727, 10774, 7355, and 9676 which the EEOC originally valued at approximately \$100M (See Footnote 1 *Id.*), and then created new "EEOC Allowed Claim" ("Proof of Claim No. 13919") valued and \$9.8M.
- 17. On September 24, 2018, Creditor, shareholder, and aggrieved disabled pilot,
 Lawrence M. Meadows filed his "Motion to Enforce this Court's Agreed Order Signed on

- 5/16/2018 [Doc 12898]; and to Compel Debtors AMR Corp., American Airlines, Inc., Envoy Air, Inc., and Claims Agent GCG, Inc.'s Compliance Thereof." (Doc 13078).
- 18. On April 15, 2019, this Court entered an Order Granting Meadows' Motion To Enforce This Court's Agreed Order Signed On 5/16/2018, Approving Settlement Agreement Resolving Certain Pending EEOC Litigation (Doc 12898), And To Compel Debtors AMR Corp., American Airlines, Inc., Envoy Air, Inc., And Claims Agent GCG, Inc.'s Compliance Thereof. (DOC 13215). Thereby, forcing Debtors and their claims agent to reverse their improper manipulation and entries to the claims Register, particularly as they related to the premature expungement and deemed satisfaction of EEOC Proof of Claim 9676.
- 19. Now, on March 2, 2021, the Debtors are making yet another attempt to prematurely manipulate the value of EEOC Proof of Claim No. 9676, by filing its, *Motion to Approve Reorganized Debtors' Motion to Estimate Maximum Amount of Proof of Claim No.* 9676 Under Bankruptcy Code Sections 105(a) and 502(c). (Doc 13289). ("Estimation Motion").
- 20. On April 2, 2021, Creditor, shareholder, and aggrieved disabled American pilot,

 Lawrence M. Meadows timely filed his, Response / Creditor Lawrence M. Meadows Response

 And Objection To Reorganized Debtors' Motion To Estimate Maximum Amount Of Proof Of

 Claim No. 9676 (Doc 13297).
- 21. On April 5, 2021, Shareholder and Creditor, Mark Fu filed his, *Letter Regarding Outstanding Claims And Appeals Filed by Mark Fu.* (Doc 13301).
- 22. On April 7, 2021, Debtors filed their, Reply to Opposition to Reorganized Debtors' Estimation Motion and Claims Objections and Status Update filed by Alfredo R. Perez on behalf of AMR Corporation. (Doc 13304).

23. On April 14, 2021, Transcript regarding Hearing Held on 04/08/2021 At 11:07 AM

RE: Omnibus Hearing.; Doc. #13283 Motion For Omnibus Objection To Claim(S) /

Reorganized Debtors 200th Omnibus Objection To Claims (Stock Option Claims).; Doc.

 $\#13282\ Motion\ For\ Omnibus\ Objection\ To\ Claim(S)\ /\ Reorganized\ Debtors\ 199th\ Omnibus$

Objection To Claims (Failure To Timely Prosecute Claims).; Etc. (Doc 13308).

24. **Docket** # 13324 **Filed** May 18 2021

Order Signed On 5/18/2021, Establishing Procedures For Remote Evidentiary Hearing On June 7, 2021. (Ebanks, Liza)

25. **Docket** # 13325 **Filed** May 25 2021

Letter Filed by Sherrie Edwards-Redd. (Ebanks, Liza

26. **Docket** # 13328 **Filed** Jun 03 2021

Statement / Claims Update for June 7, 2021 Hearing filed by Alfredo R. Perez on behalf of AMR Corporation. (Perez, Alfredo)

27. **Docket** # 13329 **Filed** Jun 03 2021

Notice of Agenda of Matters Scheduled for Hearing on June 7, 2021 at 11:00 a.m. (ET) filed by Alfredo R. Perez on behalf of AMR Corporation. with hearing to be held on 6/7/2021 at 11:00 AM at Teleconference Line (CourtSolutions) (SHL) (Perez, Alfredo)

28. **Docket** # 13331 **Filed** Jun 04 2021

Declaration Of Lawrence M. Meadows filed by Lawrence M. Meadows. (Ebanks, Liza)

29. **Docket** # 13330 **Filed** Jun 04 2021

Statement /Notice Of Service: Notice To Compel Witness Testimony Of Brian Ostrom During U.S. Bankruptcy Court Evidentiary Hearing On June 7, 2021 At 11:00 a.m. filed by Lawrence M. Meadows. (Ebanks, Liza)

30. **Docket** # 13333 **Filed** Jun 04 2021

Amended Notice of Agenda: Notice of Amended Agenda of Matters Scheduled for Hearing on June 7, 2021 at 11:00 a.m. (ET) filed by Alfredo R. Perez on behalf of AMR Corporation. with hearing to be held on 6/7/2021 at 11:00 AM at Teleconference Line (CourtSolutions) (SHL) (Perez, Alfredo)

31. **Docket** # 13335 **Filed** Jun 10 2021Transcript regarding Hearing Held on 06/07/2021 At 11:33 AM RE: Doc. #13282 Motion For Omnibus Objection To Claim(S) / Reorganized Debtors 199th Omnibus Objection To Claims (Failure To Timely Prosecute Claims).; Doc. #13289 Motion To

Approve / Reorganized Debtors Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 Under Bankruptcy Code Sections 105(A) And 502(C). Remote electronic access to the transcript is restricted until 9/8... More

32. **Docket** # 13346 **Filed** Jul 14 2021

Memorandum Of Decision Signed On 7/14/2021, Re: Debtors Motion To EstimateMaximum Amount Of Proof Of Claim No. 9676 Under Bankruptcy Code Sections 105(a) and 502(c). (related document(s)[13289]) (Ebanks, Liza)

33. **Docket** # 13347 **Filed** Jul 15 2021

Memorandum Endorsed Order Signed On 7/15/2021, "The attached request for the Court to accept this filing is GRANTED. The pleading of Mr. TimothyHall received by the Court on July 1, 2021 will be filed on the docket and considered by the Court. So Ordered" (Ebanks, Liza)

34. **Docket** # 13352**Filed** Jul 22 2021

Notice of Proposed Order / Notice of Revised Proposed Order Granting Reorganized Debtors' Motion to Estimate Maximum Amount of Proof of Claim No. 9676 Under Bankruptcy Code Sections 105(a) and 502(c) (related document(s)[13289]) filed by Alfredo R. Perez on behalf of AMR Corporation. (Perez, Alfredo)

Docket # 13354 **Filed** Jul 26 2021

Letter Filed by Sherrie Edwards-Redd. (Ebanks, Liza)

36. **Docket** # 13355 **Filed** Aug 02 2021

Motion to Extend Time /Notice Of Creditor Lawrence M. Meadows Motion To Stay Entry Of Debtors' Revised Proposed Order Granting Reorganized Debtors Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 (Doc 13352) filed by Lawrence M. Meadows.

37. **Docket** # 13356 **Filed** Aug 02 2021 Memorandum Endorsed Order Signed On 8/2/2021, Re: Notice Of Creditor Lawrence M. Meadows Motion To Stay Entry Of Debtors' Revised Proposed Order Granting Reorganized Debtors Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 (Doc 13352) (Related Doc # [13355])

38. **Docket** # 13360 **Filed** Aug 09 2021

Objection /Notice Of Creditor Lawrence M. Meadows Objection To Debtors Revised Proposed Order Granting Reorgnized Debtors Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 (Doc 13352). filed by Lawrence M. Meadows.

39. **Docket** # 13361 **Filed** Sep 08 2021

Order Signed On 9/8/2021, Granting Reorganized Debtors' Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 Under Bankruptcy Code Sections 105(a) And 502(c) (Related Doc # [13289]) (Ebanks, Liza)

40. **Docket** # 13360 **Filed** Aug 09 2021

Objection /Notice Of Creditor Lawrence M. Meadows Objection To Debtors Revised Proposed Order Granting Reorgnized Debtors Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 (Doc 13352). filed by Lawrence M. Meadows.

41. **Docket** # 13361 **Filed** Sep 08 2021

Order Signed On 9/8/2021, Granting Reorganized Debtors' Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 Under Bankruptcy Code Sections 105(a) And 502(c) (Related Doc # [13289]) (Ebanks, Liza)

42. **Docket** # 13362 **Filed** Sep 16 2021

Motion to Stay Entry Of Order Granting Reorganized Debtors' Motion To Estimate Maximum Amount Of Proof Of Claim No. 9676 Under Bankruptcy Code Sections 105(a) And 502(c) filed by Lawrence M. Meadows.

43. **Docket** # 13364 Filed Sep 17 2021

Notice of Presentment of Stipulation and Agreed Order for Proof of Claim filed by the Allied Pilots Association filed by Alfredo R. Perez on behalf of AMR Corporation. with presentment to be held on 10/8/2021 at 05:00 PM at Courtroom 701 (SHL).

44. On September 21, 2021, Meadows filed his, Motion For Reconsideration Of Order Signed On 9/8/2021, Granting Debtor's Motion to Estimate Maximum Amount of proof of Claim No.9676 Under Bankruptcy Code Sections 105 (A) And 502 (C) (Doc13361)Filed Pursuant To FED.R.BNKR.P. Rule 9023, Seeking A New Trial or To Amend Judgment of Court's Order: Closing These Proceeding, Pending Full Resolution Of This Motion And Any Associated Appeals. (Doc 13655/66)

45. **Docket** # 13367 **Filed** Sep 24 2021;

Objection to Motion / Reorganized Debtor's Objection to Creditor Lawrence M. Meadows' Motion for Reconsideration of Order Signed on 9/8/2021, Granting Debtor's Motion to Estimate Maximum Amount of Proof of Claim No. 9676 Under Bankruptcy Code Sections 105 (a) and 502 (c) (Doc 13361) Filed Pursuant to Fed. R. Bnkr. P. Rule 9023, Seeking a New Trial or to Amend Judgement of Court's Order; and Motion to Stay Any Subsequent Orders Approving

46. **Docket** # 13369 **Filed** Sep 30 2021

Motion to Authorize / Reorganized Debtor's Motion for Order (I) Authorizing (A) Release of Excess Reserve Funds Held in Disputed Claims Reserve and (B) Reimbursement of Prepetition Claim; (II) Closing the Chapter 11 Case; and (III) Granting Related Relief filed by Alfredo R. Perez on behalf of AMR Corporation with hearing to be held on 11/4/2021 at 11:00 AM at Courtroom 701 (SHL)

- 47. **Docket** # 13373 **Filed** Oct 01 2021
 - Reply to Motion /Lawrence M. Meadows' Reply To Debtors' Objection To Motion For Reconsideration (related document(s)[13365]) filed by Lawrence M. Meadows.
- 48. **Docket** # 13374 **Filed** Oct 08 2021

 Notice of Hearing / Notice of Telephonic Hearing Scheduled for November 4, 2021 at 11:00 a.m. (Eastern Time) filed by Alfredo R. Perez on behalf of AMR Corporation. with hearing to be held on 11/4/2021 at 11:00 AM at Courtroom 701 (SHL).

ARGUMENT

- A. <u>Final Distribution from the DRC is Premature and Prejudicial: Because of Pending</u>

 <u>Unresolved Contested Matters Related to the EEOC Consent Decree and Flawed Estimation</u>

 Amount of the Associated Settlement For EEOC Proof of Claim No. 9676
- 49. First, there are outstanding unliquidated, unobjected and unresolved claims related to the EEOC Consent Decree Order and Settlement Amount of EEOC Proof of Claim No. 9676, which still pending litigation via Motions and Objections in this tribunal, and its associated non-effective EEOC Consent Decree "9019 Order" is still pending Appeal(s) in the U.S. District Court of SDNY.
- 50. It is undisputed that the crux of that pending unresolved motions and appeals, the EEOC Proof of Claim No. 9676, is currently shown in the Debtors' claim register in an unliquidated amount, which is not subject to objection, but remains completely unresolved.
- The Courts recent disputed Estimation Motion Order (currently pending Rule 9023

 Reconsideration Motion and Appeal) fixing the settlement amount at \$9.95M for purposes of allowing the Debtors' to prematurely close these proceedings s fatally flawed. For it is predicated on the EEOC Consent Decree Settlement Agreement, 9019 Order, which is not yet effective and currently pending Appeal (s) If Meadows prevails on either of those Appeals, then the EEOC Settlement Agreement will NEVER become effective and the proposed settlement amount upon which the Estimation Order relies will be invalidated, thereby leaving EEOC Proof of claim unliquidated, unobjected and unresolved, and requiring a renegotiated settlement amount.

Objection to Debtors' Closing Motion Page **12** of **18**

- 52. Thus, there is a likelihood that ongoing contested matters may substantially increase the value to those claims to up to \$100M (See Footnote 1), thereby making any further distributions from the Disputed Claims Reserve premature and prejudicial to certain creditors whose claims amounts remain unresolved and unpaid.
- Therefore, at this juncture a final distribution of excess funds from the DRC is premature and fraught with peril. As such respectfully requests that this honorable Court and U.S. Trustee for these bankruptcy proceedings proceed with extreme caution, and refrain from any distribution of the surplus DCR shares until his associated Appeal(s) of the EEOC Consent Decree are fully adjudicated. Indeed, mere possibility that Meadows prevails on his now pending Appeal(s), would invalidate the Estimation Motion amount of \$9.95M, and any resultant substantial increase in the EEOC settlement amount necessary to fully resolve the unliquidated EEOC No. 9676, would likely require a complicated and messy final distribution claw back from all other Creditors; whom would have otherwise improperly benefited the Proposed Order's improper estimation amount, that would provide for subsequent but premature final distribution.
 - B. Closing This Chapter 11 Case Is Premature: Because There are Contested Motions,
 Order and Appeals which ARE NOT Finally Resolved, and Thus this Case is NOT Yet
 Fully Administered In Accordance with the Code
- 54. Section 350(a) of the Bankruptcy Code provides that "[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case." Bankr. Code § 350(a). Bankruptcy Rule 3022 implements the Bankruptcy Code's requirements, providing that "[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case." Fed. R. Bankr. P. 3022. 30.

- 55. The term "fully administered" is not defined in either the Bankruptcy Code or the Bankruptcy Rules. The Advisory Committee's Note to Bankruptcy Rule 3022, however, sets forth the following non-exhaustive factors to be considered in determining whether a case has been fully administered:
 - (1) whether the order confirming the plan has become final,
 - (2) whether deposits required by the plan have been distributed,
 - (3) whether the property proposed by the plan to be transferred has been transferred,
 - (4) whether the debtor or its successor has assumed the business or the management of the property dealt with by the plan,
 - (5) whether payments under the plan have commenced, and
 - (6) whether all motions, contested matters, and adversary proceedings have been finally resolved
- 56. Here and as shown above there are several motions, objections, and contested matters, including but not limited Creditor Meadows pending Appeal(s)³ of the EEOC Consent Decree Settlement Agreement, 9019 Order, (Doc 12912), Rule 9023 Reconsideration (Doc 13365/66) of the Estimation Motion Order (Doc 13361), none of which are finally resolved.
- 57. Of particular concern is the above referenced Appeal(s) of the 9019 Order, which are unresolved and still pending, leaving the EEOC Consent Decre still NOT "Effective." Thus, there is currently no authority to Estimate EEOC Proof of Claim No. 9676, based on the \$9.95M settlement amount proposed in the the non-final, non-effective Consent Decree. As noted in ¶ 52. Above, the mere possibility the Meadows' prevails on his Appeal(s) will render the Estimated Settlement Amount of \$9.95M invalid, leaving it open to a substantially increase the value of up to those claims to up to \$100M. Thereby, making any further distributions from the Disputed

On June 15, 2018, Meadows filed an Appeal of this Court's 5/16/2018, "Agreed Order Signed On 5/16/2018, Approving Settlement Agreement Resolving Certain Pending EEOC Litigation." (Doc 12912). That matter is still unresolved, pending and docketed as Case No. 1:18-cv-06149-RA, in the U.S. District Court SDNY; wherein, Meadows seeks reversal of this Courts 9019 Order approving the EEOC Settlement Agreement. Until that and any subsequent appeals to the 2nd Circuit COA are fully exhausted and final, the EEOC Consent Decree's terms mandate that it cannot become "Effective", nor can any settlement amount associated with it (estimated or otherwise) be deemed final and accurate, much less valid.

Claims Reserve, much less closing these Chapter 11 proceedings premature and prejudicial to certain creditors whose claims amounts remain unresolved and unpaid.

- Additionally, the pending APA Stipulation/Agreed Order (Doc 13364) is Objected to and disputed by Meadows and two other similarly situated aggrieved disabled pilot employees (Docs 13370,71,72), for two main reasons. First, it was not properly noticed to ALL 241 adversely affected disabled pilot grievant protected by APA's collective Domicile Grievances, 11-054, 12-012, and 12-105. As such those adversely affected pilots are in danger of losing their rights in violation of the Code's principle of equality within a class of Creditors. Second, its language ambiguous as to protecting the rights of those adversely affected pilot grievance in those still open and pending APA individual and collective (class action) aggrieved disabled pilot reinstament Grievances, and requires input and necessary language modifications by all affected pilot grievant, to ensure the terms do not invalidate their individual and collective rights.
- 59. Therefore, until the Appeal(s) of the EEOC Consent Decree Settlement Agreement,9019

 Order, (Doc 12898), Rule 9023 Reconsideration (Doc 13365/66) of the Estimation Motion Order

 (Doc 13361) and subsequent appeal(s), and APA Stipulation/Agreed Order (Doc 13364 and

 Objections thereto (Docs 13370,71,72), are fully and finally resolved, these Chapter 11

 Proceedings can Not be considered fully administered in accordance with the Code. Thus,

 Debtors' Closing Motion must be denied.
 - C. <u>Debtors' Consistently Failed to Provide Due Process and Notice To Meadows</u>
 <u>and Debtors' 1,500 Other Aggrieved Disabled Employee Creditors Related To the EEOC</u>
 <u>Consent Decree, Estimation of EEOC POC No. 9676, APA Stipulation and Agreed Order, and this Instant Closing Moton</u>
- 60. As admitted by Debtors and previously held by this Court, American's aggrieved disabled employees and particularly Meadows and American's 942 disabled pilots were not

originally provided notice of EEOC settlement agreement, and as a result this Court Ordered Debtors to include pilots in Notice of Settlement going forward. Specifically stating;

"the notice part of this is confusing...It's very important that notice be as clear as possible when dealing with providing notice to folks who are not lawyers and need to understand whether their rights are affected", and went on to say, "pilots are <u>not</u> included in [the direct notice of the EEOC Settlement Agreement] as determined by the parties, but they are nonetheless not excluded from settlement." (Doc 12876, Bk. Hrg. Tr., 43:16-21).

- On the EEOC Proof of Claim settlement amount. Those motion's highlighted the Debtors' systemic Notice of Service failures throughout these proceedings as it relates to the EEOC maters which adversely affected Meadows and the Debtors' 1,500 aggrieved disable employee creditors.
- Motion, the Debtors' have consistently failed to provide due process and Notice to the Debtor's 1,500 aggrieved disabled employee creditors identified in EEOC Proof of Claim No. 9676, which includes Meadows and 240 other similarly situated MDD pilots; specifically by violating not only their constitutional due process in violation of the 4th and 15th Amendment of the U.S. Constitution, but are also by violating the principle of equality within a class of creditors under the Code. Especially, by failing to explicitly provide notice to these "particular creditors" that they are being treated in such manner so as to not put such creditors on notice. *See, e.g., Forklift LP Corp. v iS3C, Inc. (in re Forklift LP Corp.)*, 363 B.R. 388, 398 (Bankr. D. Del. 2007) ("[I]t would be unfair to deprive creditors of their statutory rights

to full payment under the Bankruptcy Code, where plan provisions do not explicitly take those rights away.

63. Therefore, this matter should be postponed until all of Debtors' 1,500 aggrieved disabled employee Creditors, to include American's 240 disabled MDD pilots are given full due process and Notice of Debtors' Closing Moton which attempts to prematurely perform a final DCR distribution and close these Chapter 11 proceedings without Notice to all adversely affected Creditors in danger of losing substantial rights.

CONCLUSION AND RELIEF REQUESTED

- Motion (Doc 13369), as there are several pending contested matters, to include Motions,
 Objections, and Appeal(s) which are Not finally resolved, and are material to the claims final distribution. Specifically, these unresolved matters may likely invalidate the EEOC Proof of Claim Estimated Amount of \$9.95M, and substantially increase it to \$100M. Thereby, making any final distribution and closing decree premature and detrimental to ALL Creditors, particularly to Meadows and Debtors' 1,500 other aggrieved disabled pilot employees who have been deprived of due process and Notice related to their claims.
- 65. Finally, Meadows respectfully requests that this honorable Court and U.S. Trustee for these bankruptcy proceedings proceed with extreme caution, and refrain from any distribution of the surplus DCR shares until his associated Appeal(s) of the EEOC Consent Decree are fully adjudicated.

Dated this 28th Day of October 2021;

Respectfully Submitted

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