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Attorney for Reorganized Debtor

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
In re	:	Chapter 11
	:	
AMR CORPORATION, <i>et al.</i> ,	:	Case No. 11-15463 (SHL)
	:	
Reorganized Debtor.	:	(Jointly Administered)
-----X	:	

**REORGANIZED DEBTOR’S OMNIBUS REPLY TO OBJECTIONS TO
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
AND STATUS UPDATE**

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

AMR Corporation, as reorganized debtor (the “**Reorganized Debtor**” or
“**American**”), respectfully represents as follows in support of this omnibus reply (the “**Reply**”)
in response to the responses¹ to and in further support of *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 [Docket No. 13369] (the “**Motion**”)², and respectfully represent as follows:

¹ The Reorganized Debtor received responses to the Motion from: (i) Robert Steven Mawhinney (Dkt No. 13382), (ii) the Allied Pilots Association, the Association of Professional Flight Attendants, and Transport Workers Union of America AFL-CIO (Dkt No. 13383), (iii) Gregory R. Cordes (Dkt. No. 13387), (iv) Lawrence M. Meadows (Dkt. No. 13389), (v) Timothy Hall (Dkt. No. 13390), (vi) Vincent Basset (Dkt. No. 13391) (collectively, the “**Objections**”).

Reply

1. Attached as **Exhibit A** is a chart (the “**Response Chart**”) summarizing (i) the Objections to the Motion and (ii) the Reorganized Debtor’s reply. As set forth in the Response Chart, the Reorganized Debtor does not believe that any of the Objections provide sufficient grounds to overrule the Motion.

2. Attached as **Exhibit B** is a revised Proposed Order (the “**Revised Proposed Order**”). A redline between the initial Proposed Order and the Revised Proposed Order is attached as **Exhibit C**.

3. Accordingly, the Reorganized Debtor requests that the Court overrule the Objections and enter the Revised Proposed Order to the Motion.

4. In addition, attached as **Exhibit D** is a claims status update.

Dated: November 1, 2021
Houston, Texas

/s/ Alfredo R. Pérez

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Attorney for Reorganized Debtor

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to those terms in the Motion.

Exhibit A

Response Chart

IN RE AMR CORPORATION, ET AL.

CASE NO. 11-15463 (SHL)

SUMMARY CHART OF OBJECTIONS AND RESPONSES¹

	Docket No.	Objecting Party	Objection Summary	Reorganized Debtor's Reply
1.	13382	Robert Steven Mawhinney ("Mawhinney")	Mawhinney objects on the grounds that that all the motions, contested matters, and adversary proceedings have not been finally resolved.	American will resolve the four remaining Disputed Claims outside of the chapter 11 case—the existence of these few claims does not require that the Remaining Case be kept open. <i>See In re Federated Dep't Stores, Inc.</i> 43 Fed. App'x 820 (6th Cir. 2002) (holding that a chapter 11 case was “fully administered” even when unresolved claims remain because the debtors’ plan had been confirmed ten years prior and the debtors had taken all actions required by the plan); <i>see also In re Union Home and Indus., Inc.</i> 375 B.R. 912 (10th Cir. BAP 2007) (“ The continuation of an adversary proceeding as well is insufficient by itself to keep a case from being considered ‘fully administered.’”)
2.	13383	The Allied Pilots Association (“APA”), the Association of Professional Flight Attendants (“APFA”) Transport Workers Union of America AFL-CIO (“TWU” and collectively with the APA and APFA, “Labor”)	Labor objects to the Motion to the extent that it (i) does not provide Labor with its share of the USPS Settlement Single-DIP Claim or (ii) does not require the Reorganized Debtor to assume the obligation to pay Labor if the Remaining Disputed Claims are ultimately resolved at an amount in excess of \$400,000	American disagrees with Labor’s assertion that it should assume the obligation to pay Labor if the Remaining Disputed Claims are resolved at an amount in excess of \$400,000. Any potential resolution of these claims, whether above or below an amount of \$400,000, would be paid by American and not distributed from the Disputed Claims Reserve.
3.	13388	Gregory R. Cordes (“Cordes”)	Cordes objects on the grounds that his claim has not yet been resolved.	This claim is included in the <i>Reorganized Debtors’ 199th Omnibus Objection to Claims (Failure to Timely Prosecute Claims)</i> (Dkt. No. 13282), , which disallows Proofs of Claims Nos. 8015, 8016, 8874, 9613, 9614, and 10574 (the “ 199th Omnibus Objection ”). The 199th Omnibus Objection has been fully submitted to the Court as of July 2021. As requested by the Court during the hearing on June

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	Docket No.	Objecting Party	Objection Summary	Reorganized Debtor's Reply
				7, 2021, Cordes, Basset, Hall, and the Reorganized Debtor each filed post-arguments submissions with the Court. <i>See</i> Docket Nos. 13339, 13340, 13343, 13344, 13345. The Court noted that after post-argument submissions, the matter would be considered fully submitted, and that the Court would issue a decision on the matter. <i>See</i> Hr'g Tr. 152:1-5 (June 7, 2021) [Dkt. No. 13335]. The Debtors understand that the Court will enter an order on the 199th Omnibus Objection prior to entry of an order on the Motion.
4.	13389	Lawrence M. Meadows (“ Meadows ”)	Meadows objects on the grounds that “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.”	The Court has entered the <i>Order Granting Reorganized Debtors' Motion to Estimate Maximum Amount of Proof of Claim No. 9676 Under Bankruptcy Code Sections 105(a) and 502(c)</i> (Dkt. No. 13361) and has denied Meadows' motion for reconsideration. See also reply to Mawhinney Objection above.
5.	13390	Timothy M. Hall (“ Hall ”)	Hall objects on the grounds that his claim has not yet been resolved.	See reply to Cordes Objection above.
6.	13374	Vincent Basset (“ Basset ”)	Basset objects on the grounds that his claim has not yet been resolved.	See reply to Cordes Objection above.

Exhibit B

Revised Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
AMR CORPORATION, <i>et al.</i>,	:
	:
Reorganized Debtor.	:
	:
-----X	

Chapter 11

Case No. 11-15463 (SHL)

(Jointly Administered)

**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**

Upon the Motion dated September 30, 2021, (Dkt No. 13369)¹ of AMR Corporation as the reorganized debtor (the “**Reorganized Debtor**” or “**American**”), under Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3021, for entry of an order (i) authorizing (a) release of excess reserve funds held in the DCR and (b) reimbursement of prepetition claim and (ii) closing the chapter 11 cases, all as described more fully in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested under 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Bankruptcy Court under 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held, if any, to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of the Hearing and the proceedings had before the Bankruptcy Court; and the Bankruptcy

¹ Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Motion or the Plan, as applicable.

Court having found and determined that the relief sought in the Motion is in the best interests of the Reorganized Debtor, creditors, and all parties in interest, and that the legal and factual bases in the Motion establish just cause for the relief granted; and after due deliberation and sufficient cause appearing, it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Reorganized Debtor may distribute the Allowed Debtor Single-Dip Claims in the amounts of \$8,023,015 and \$400,000, to be paid directly to, and to benefit, the Reorganized Debtor; and it is further

ORDERED that the Reorganized Debtor may make any distribution for the American Labor Allocation before distributing the EEOC Claim; and it is further

ORDERED that the Reorganized Debtor and the Disbursing Agent, as applicable, agree to take all actions that are necessary and commercially appropriate to distribute the remaining excess New Common Stock and Cash from the DCR to holders of Allowed AMR Equity Interests by December 31, 2021, or as soon as commercially practicable thereafter; and it is further

ORDERED that if the Reorganized Debtor (or its successors or assigns) recover after entry of this order any tax refunds relating to New Common Stock or other property in or distributed from the Disputed Claims Reserve, the Reorganized Debtor shall have the authority to, and is directed to, distribute those amounts to holders of Allowed AMR Equity Interests and deduct reasonable and documented third-party and non-ordinary course costs associated with any distributions to holders of Allowed AMR Equity Interests (including any distributions of additional cash) without reopening the chapter 11 cases; and it is further

ORDERED that Stephen L. Johnson, trustee for each of the Employee Trusts, is exculpated under the Plan, and it is further

ORDERED that the chapter 11 case for the Reorganized Debtor AMR Corporation is hereby closed, and it is further

ORDERED that entry of this order (a) is without prejudice to the rights of the Reorganized Debtor or any other party with requisite standing to (i) commence, prosecute and/or resolve any claim or Cause of Action, or (ii) object to claims filed against the Debtor or Reorganized Debtor and (b) shall have no effect on any contested or other matters pending before this Court, and it is further

ORDERED that Reorganized Debtor and its agents may take all actions necessary or appropriate to effectuate the relief granted under this order, and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: _____, 2021
New York, New York

United States Bankruptcy Judge

Exhibit C

Redline of Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
: **Chapter 11**
: **Case No. 11-15463 (SHL)**
: **(Jointly Administered)**
: **Reorganized Debtor.**
: **AMR CORPORATION, et al.,**
: **In re**
-----X

**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**

Upon the Motion dated September 30, 2021, (Dkt No. [13369](#))¹ of AMR Corporation as the reorganized debtor (the “**Reorganized Debtor**” or “**American**”), under Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3021, for entry of an order (i) authorizing (a) release of excess reserve funds held in the DCR and (b) reimbursement of prepetition claim and (ii) closing the chapter 11 cases, all as described more fully in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested under 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Bankruptcy Court under 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and a hearing having been held, if any, to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of the Hearing and the proceedings had before the Bankruptcy Court; and the Bankruptcy

¹ Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Motion or the Plan, as applicable.

Court having found and determined that the relief sought in the Motion is in the best interests of the Reorganized Debtor, creditors, and all parties in interest, and that the legal and factual bases in the Motion establish just cause for the relief granted; and after due deliberation and sufficient cause appearing, it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Reorganized Debtor may distribute the Allowed Debtor Single-Dip Claims in the amounts of \$8,023,015 and \$400,000, to be paid directly to, and to benefit, the Reorganized Debtor; and it is further

ORDERED that the Reorganized Debtor may make any distribution for the American Labor Allocation before distributing the EEOC Claim; and it is further

ORDERED that the Reorganized Debtor and the Disbursing Agent, as applicable, ~~may agree to~~ take all actions that are necessary ~~or~~ and commercially appropriate to distribute the remaining excess ~~reserves~~ New Common Stock and Cash from the DCR to holders of Allowed AMR Equity Interests by December 31, 2021, or as soon as commercially practicable thereafter; and it is further

ORDERED that if the Reorganized Debtor (or its successors or assigns) recover after entry of this order any tax refunds relating to New Common Stock or other property in or distributed from the Disputed Claims Reserve, the Reorganized Debtor shall have the authority to, and is directed to, distribute those amounts to holders of Allowed AMR Equity Interests and deduct reasonable and documented third-party and non-ordinary course costs associated with any distributions to holders of Allowed AMR Equity Interests (including any distributions of additional cash) without reopening the chapter 11 cases; and it is further

ORDERED that Stephen L. Johnson, trustee for each of the Employee Trusts, is exculpated under the Plan, and it is further

ORDERED that the chapter 11 case for the Reorganized Debtor AMR Corporation is hereby closed, and it is further

ORDERED that entry of this order (a) is without prejudice to the rights of the Reorganized Debtor or any other party with requisite standing to (i) commence, prosecute and/or resolve any claim or Cause of Action, or (ii) object to claims filed against the Debtor or Reorganized Debtor and (b) shall have no effect on any contested or other matters pending before this Court, and it is further

ORDERED that Reorganized Debtor and its agents may take all actions necessary or appropriate to effectuate the relief granted under this order, and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: _____, 2021
New York, New York

United States Bankruptcy Judge

Exhibit D

Status Update

In re AMR Corporation

Status Update

November 2021

Status of Remaining Claims - Overview

- 11 total claims remain:
 - 6 claims included in the 199th Omnibus Objection, which has been fully submitted to the Court;
 - 1 claim included in the APA Stipulation; and
 - 4 Remaining Disputed Claims, which American intends to resolve outside of the Bankruptcy Court.

199th Omnibus Objection

- *Reorganized Debtors' 199th Omnibus Objection to Claims (Failure to Timely Prosecute Claims)* (Dkt. No. 13282) (the “**199th Omnibus Objection**”) includes:
 - Vincent Basset (Claim Nos. 8015 and 8016)
 - Glenn Hoffson (Claim No. 8874)
 - Gregory Cordes (Claim Nos. 9613 and 9614)
 - Timothy Hall (Claim No. 11351)
- The 199th Omnibus Objection has been fully argued and submitted to the Court as of July 2, 2021.
- As requested by the Court during the hearing on June 7, 2021, Cordes, Basset, Hall, and the Reorganized Debtor each filed post-argument submissions with the Court. *See* Docket Nos. 13339, 13340, 13343, 13344, 13345. The Court noted that after post-argument submissions, the matter would be considered fully submitted, and that the Court would endeavor to issue a decision on the matter. *See* Hr’g Tr. 152:1-5 (June 7, 2021) [Dkt. No. 13335].

APA Stipulation

- *Stipulation and Agreed Order for Proof of Claim Filed by the Allie Pilots Association* (Dkt. No. 13364) (the “**APA Stipulation**”) includes:
 - *Allied Pilots Association* (Claim No. 13866)
- The Reorganized Debtor and the APA have settled the APA’s claim no. 13866 for an Allowed Claim of \$625,000.
- The Reorganized Debtors received objections to the APA Stipulation from Wallace T. Preitz (Dkt. No. 13370), Lawrence M. Meadows (Dkt. No. 13371), and Herman J. Straub (“Straub”) (Dkt. No. 13372).
- The APA and the Reorganized Debtor have filed responses to the objections (Dkt Nos. 13384, 13393).

Remaining Disputed Claims

1. Association of Professional Flight Attendants (Claim No. 9761)

- Max cap claim for \$500,000 relating to termination case NS-336-2004-DFW-15, which is the case of Gay Wilson.
- Gay Wilson imprisoned in 2004 after leaving a bomb scare note in an aircraft lavatory.
- Incident took place May 27, 2004.

2. Jose Eduardo Quinones Leon (Claim No. 4700)

- Claim is for \$330,000 and relates to alleged final award for damages from the Supreme Court of Guatemala (decision is in Spanish).
- Case is on appeal, which has been inactive since August 2017. The court is supposed to appoint an expert witness to calculate the amount of damages, but the plaintiff's attorney is not asking the court to make the appointment.

3. Southeast Aero (Claim No. 5168)

- Claim is for \$200,000 and relates to claim against American in Ecuador Justice Civil Court for damages, lack of business ethics, and illegal maintenance contract.

Remaining Disputed Claims (cont.)

4. Robert Mawhinney (Claim No. 13743)

- Claim is for \$10,025,778.33 based on whistleblowing retaliation claims.
- Arbitration award issued in favor of American on Nov. 24, 2014. Ninth Circuit affirmed June 26, 2017, and denied petition for rehearing on Jan. 12, 2018.
- Mawhinney sought to relitigate arbitration decision before U.S. Department of Labor in mid-2016. American moved in District Court for the Southern District of California to compel arbitration, which was granted on Oct. 27, 2016. Mawhinney appealed decision to Ninth Circuit. Ninth Circuit issued judgment in favor of American on Sept. 26, 2018, and denied petition for rehearing on Nov. 5, 2018.
- Second arbitration award issued in favor of American on Dec. 20, 2017. American petitioned District Court for the Southern District of California to confirm in 3:18-cv-00731. There has been no judicial activity in case since July 5, 2018. No confirmation to date.
- Mawhinney filed, on September 3, 2020, a petition for review of the amended order granting the motion which dismissed his AIR21 claims. On February 4, 2021, the Administrative Review Board issued its ruling affirming the dismissal of his AIR21 claims.
- On February 8, 2021, Mawhinney appealed the final arbitration. Mawhinney's opening brief on his appeal of the final arbitration ruling is due on April 29, 2021.