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

In re

HAWKER BEECHCRAFT, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 12-11873 (SMB)

(Jointly Administered)

**REQUEST OF MARTIN-BAKER AIRCRAFT COMPANY LTD PURSUANT TO
11 U.S.C. § 503(b) FOR ALLOWANCE AND PAYMENT OF ADMINISTRATIVE
CLAIMS**

Martin-Baker Aircraft Company LTD (“**Martin-Baker**”), by and through its undersigned counsel, hereby files this Request For Allowance of Administrative Claims (this “**Request**”). In support of its Request, Martin-Baker respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Request pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this Request is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Hawker Beechcraft, Inc. (2598); Arkansas Aerospace, Inc. (7496); Beech Aircraft Corporation (0487); Beechcraft Aviation Company (3548); Hawker Beechcraft Acquisition Company, LLC (8770); Hawker Beechcraft Corporation (5770); Hawker Beechcraft Defense Company, LLC (5891); Hawker Beechcraft Finance Corporation (8763); Hawker Beechcraft Global Customer Support Corporation (7338); Hawker Beechcraft Holding, Inc. (6044); Hawker Beechcraft International Delivery Corporation (6640); Hawker Beechcraft International Holding LLC (6757); Hawker Beechcraft International Service Company (9173); Hawker Beechcraft Notes Company (0498); Hawker Beechcraft Quality Support Company (7800); Hawker Beechcraft Regional Offices, Inc. (3889); HBC, LLC (N/A); and Rapid Aircraft Parts Inventory and Distribution Company, LLC (N/A).

BASES FOR CLAIM

2. Martin-Baker is a United Kingdom corporation whose business and mailing address is Lower Road Higher Denham, Near Uxbridge, Middlesex UB9 5AJ, England.

3. Prior to the Debtors' filing for bankruptcy on May 3, 2012 (the "**Petition Date**") Martin-Baker was a party with Hawker Beechcraft Defense Company, LLC ("**HBDC**," as assignee of Hawker Beechcraft Corporation ("**HBC**")) to that certain Master Purchase and Support Agreement number HBC-01963-MPSA (as amended and extended from time to time, the "**Agreement**"), as well as a series of transactions governed by the Agreement.

4. The Agreement was entered into between Martin-Baker and HBC as of April 11, 2007. Under the terms of the Agreement, Martin-Baker agreed to provide HBC with goods and services for the Joint Primary Aircrew Training System. On or about July 31, 2011, HBC assigned the Agreement to HBDC.

5. On May 24, 2012, Martin-Baker and HBC entered into a letter agreement (the "**Letter Agreement**") pursuant to which: (i) HBC agreed to pay Martin-Baker a portion of Martin-Baker's pre-petition claims in partial satisfaction of Martin-Baker's pre-petition claims; (ii) Martin-Baker reserved all rights and remedies under the Agreement and applicable law and reserved the right to pursue remaining pre-petition claims; (iii) Martin-Baker agreed to continue performing under the Agreement; and (iv) certain of the Debtors agreed to make payment for any and all parts and products delivered by Martin-Baker post-petition, when due and in full, as provided for pursuant to the Agreement, with such payments to be treated as administrative expenses pursuant to 11 U.S.C. § 503(b)(1)(A) and as permitted under applicable orders of this Court.

6. In September 2012, Martin-Baker, HBDC, and Hawker Beechcraft Global Customer Support Corporation (“**HBGCSC**”) amended and extended the Agreement, pursuant to which HBDC and HBGCSC agreed, in part, to pay in the ordinary course of business all outstanding amounts owed under the Agreement.

7. HBDC and HBGCSC assumed the Agreement as part of the Debtors’ Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code, which was confirmed by the Court on February 1, 2013. [Dkt. Nos. 1272, 1277].

8. HBDC and HBGCSC have been ordering post-petition products and services from Martin-Baker pursuant to the Agreement. Martin-Baker has been performing its obligations under the Agreement by delivering goods and services and issuing invoices for such goods and services.

9. HBDC and HBGCSC have been paying the invoices of Martin-Baker in the ordinary course of business, but several unpaid and underpaid post-petition invoices are currently due and payable to Martin-Baker.

10. As of the date hereof, the amount due and owing to Martin-Baker from the unpaid and underpaid invoices is 28,476.79 GBP (equal to \$46,069.75,² the “**Claim**”). Martin-Baker is entitled to have this amount treated as an administrative expense because (i) the Agreement and Letter Agreement provide that such amounts will be treated as administrative expenses and (ii) the amounts due under the unpaid and underpaid invoices arose post-petition, and the goods and services provided in connection with the invoices benefitted the Debtors’ estates. *See Supplee v. Bethlehem Steel Corp. (In re Bethlehem Steel Corp.)*, 479 F.3d 167, 172 (2d Cir. 2007).

² At the prevailing exchange rate on the Petition Date of 1 GBP to 1.6178 USD, as reported by the Wall Street Journal.

11. Martin-Baker further asserts an administrative expense claim for all currently outstanding invoices that are not yet due. This claim is made out of an abundance of caution to avoid forfeiting any claims as a result of the occurrence of the bar date for administrative claims.

12. Martin-Baker expects that the Debtors will pay all outstanding invoices in full, as provided in the Agreement, and that further prosecution of this Request will not be necessary. The Debtors have paid the bulk of Martin-Baker's invoices, and Martin-Baker anticipates that its productive business relationship with the Debtors will continue.

RESERVATION OF RIGHTS

13. The filing of this Request is not and should not be deemed: (a) a waiver of any remedies set forth in the Agreement; (b) a waiver or release of Martin-Baker's claims or rights against any other entity, person, or property liable for all or any part of the Claim asserted herein or any matters related to the Claim asserted herein; (c) a consent by Martin-Baker to the jurisdiction of this Court with respect to any proceeding commenced in this case against or otherwise involving Martin-Baker; (d) a waiver of the right to withdraw the reference, or otherwise to challenge the jurisdiction of this Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving Martin-Baker; (e) a waiver or release by Martin-Baker of Martin-Baker's right to trial by jury, or a consent by Martin-Baker to a trial by jury in this Court or any other court; (f) a waiver of any right to the subordination, in favor of Martin-Baker, of indebtedness or liens held by any creditors of the Debtors or any of their affiliates; or (g) an election of remedies that waives or otherwise affects any other remedy.

14. Martin-Baker specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its rights with respect to any claim that may be asserted against Martin-Baker or any of its affiliates, by the Debtors or any other party.

15. Martin-Baker expressly reserves its right to amend or supplement this Request in any respect, as appropriate, and to file a reply to any response or objection to this Request filed.

CONCLUSION

16. Accordingly, and for the reasons set forth above, Martin-Baker respectfully requests that the Court (i) enter an order granting Martin-Baker an administrative expense claim in the amount of the Claim plus any additional amounts then due and owing to Martin-Baker; (ii) direct the Debtors to pay Martin-Baker an amount not less than the Claim plus any additional amounts then due and owing to Martin-Baker upon the entry of the order granting Martin-Baker an administrative expense claim; and (iii) award such other relief as the Court deems just and proper.

Dated: March 18, 2013
New York, New York

Respectfully submitted,

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