

TO: Honorable Judge Sean H. Lane
United States Bankruptcy Court
Southern District of New York

Subject: Shareholder Concerns Regarding Spirit Airlines Chapter 11 Bankruptcy
(Case No. 24-11988)

Dear Judge Lane,

Subject: Plea for Reprieve of Shareholder Equity Cancellation – *In re Spirit Airlines, Inc., et al., Case No. 24-11988 (SHL)*

I am writing to you as a shareholder of Spirit Airlines common stock, urging a **reprieve** of the **cancellation of shareholder equity** as proposed in the disclosure statement and confirmation plan of Spirit Airlines, Inc.

Lack of Shareholder Representation

While secured creditors are represented by Marshall Huebner and unsecured creditors by Brett Miller, **no one is representing the interests of shareholders.** While it is common for shareholder equity to be eliminated in bankruptcy proceedings, this case **differs significantly from a traditional bankruptcy.** The proposed plan fails to serve the interests of shareholders and, by extension, the broader community of individual investors.

Spirit Airlines is Not Defunct

Spirit Airlines is **not an insolvent or defunct company.** If operations were to cease and a **full liquidation** of assets—including aircraft, landing slots, gates, and engine programs—were pursued, there would still be **substantial value left for shareholders.**

Instead, management has chosen bankruptcy as the **most convenient method to handle the \$1.1 billion in debt due this year,** rather than pursuing alternatives such as:

- Converting debt to equity
- Obtaining DIP financing without wiping out shareholders
- Raising capital through dilution

- Selling the company outright

None of these options were pursued in **good faith**.

False Market Representations & Lack of Transparency

At the December 10, 2024, hearing, Counsel Marshall Huebner **misled the court** by stating:

"The market has fully understood for a while that, absent a transaction, Spirit is insolvent and on its way to bankruptcy."

However, Spirit **continued issuing press releases** indicating otherwise. Even as late as:

- **May 6, 2024** (earnings call)
- **June 7, 2024** (shareholder meeting)
- **April 2024** (opening of new headquarters in Dania Beach, FL)
- **October 24, 2024** (sale of older planes)

There was **no official notification of imminent bankruptcy**. It was only disclosed in an **SEC filing on November 12, 2024**, which led to an **immediate stock crash**.

Mismanagement & Executive Compensation Amid Bankruptcy

Adding insult to injury, Spirit Airlines' CEO **Edward "Ted" Christie III** secured a **\$3.8 million retention bonus** tied to the completion of the bankruptcy—while **shareholders lost everything**.

Despite **Frontier Airlines' continued offers to help restructure or merge**, Spirit management **ignored all overtures**, effectively **choosing bankruptcy over shareholder preservation**.

A Merger Would Have Prevented This Outcome

The **Department of Justice's (DOJ) intervention** in blocking the **Spirit–JetBlue merger** in January 2024 directly contributed to this bankruptcy. Had the merger proceeded:

- **Spirit would have formed the fifth-largest U.S. airline**
- **Consumers would have benefited from greater competition**

- **Shareholders would have retained equity**

Meanwhile, **competitors like Delta and United are posting record profits**. It is **unjust** that Spirit shareholders should suffer a total equity wipeout under these circumstances.

Request for Intervention

I urge you to **object to the current bankruptcy plan** and allow:

1. **Time for merger negotiations** with potential buyers.
2. **Opportunities for alternative restructuring** that does not eliminate shareholders.
3. **An independent review of executive decision-making** leading up to the bankruptcy filing.

This case is not just about one company—it sets a precedent for how retail investors and shareholders are treated in corporate bankruptcies. **I request that you intervene to ensure a fair outcome.**

Sincerely,

Bhavesh Patel

Shareholder, Spirit Airlines