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

Re: ECF No. 641

In re:

Chapter 11

SPIRIT AVIATION HOLDINGS, INC., et al.,

Case No. 25-11897 (SHL)

Debtors.¹

Jointly Administered

**DEBTORS' OPPOSITION TO MOVANT AAA PLUS TAX, LLC'S MOTION FOR
REQUEST OF PAYMENT OF ADMINISTRATIVE EXPENSE**

Spirit Aviation Holdings, Inc. and its direct and indirect subsidiaries (collectively, the “**Debtors**,” the “**Company**,” or “**Spirit**”), each of which is a debtor and debtor in possession in the Chapter 11 Cases, respectfully submit this opposition (the “**Opposition**”) to movant AAA Plus Tax, LLC’s (the “**Movant**” or “**AAA Plus Tax**”) *Motion for Relief for Payment of Administrative Expense* (the “**Motion**”) (ECF No. 641). Through the Motion, the Movant materially misrepresents the alleged facts underlying the claim and misapplies blackletter law. For those reasons, and the reasons discussed below, the Motion should be denied.

¹ The Debtors’ names and last four digits of their respective employer identification numbers are as follows: Spirit Aviation Holdings, Inc. (1797); Spirit Airlines, LLC (7023); Spirit Finance Cayman 1 Ltd. (7020); Spirit Finance Cayman 2 Ltd. (7362); Spirit IP Cayman Ltd. (4732); and Spirit Loyalty Cayman Ltd. (4752). The Debtors’ mailing address is 1731 Radiant Drive, Dania Beach, FL 33004.

I. Preliminary Statement

The Movant seeks entry of an order for immediate payment of an alleged “Administrative Expense Claim pursuant to 11 U.S.C. §§ 503(b)(1)(A), 507(a)(2), and 105(a),” in the amount of “\$141,000,000,² together with any allowable interest, costs, and attorneys’ fees[.]” Mot. at 6, 9. Though the Movant’s theory is not entirely clear, it appears to be based on the false premise that the Movant “entered into a Letter of Intent with the Debtors that included stalking-horse bid protections [and] a break-up fee equal to three percent (3%) of the highest accepted bid, regardless of the ultimate winner of the transaction.” *Id.* at 6. This is pure fantasy: As the Motion itself makes clear, the parties did not execute the LOI or any other contract. In any event, the amorphous alleged benefits conferred on the estates are non-existent. As a result, the Motion fails to establish that the Movant has incurred any expense that is administrative, and it should be denied.

II. The Movant Misrepresents the Facts

In addition to its legal infirmities, discussed *infra*, the Motion is predicated on a series of false factual assertions that render it frivolous. Indeed, the conclusions drawn by the Movant are belied by the very documents that are appended to the Motion and that the Movant seeks to enforce. The Debtors must briefly correct the factual record before responding to the Movant’s legal arguments.

On or around September 26, 2025, AAA Plus Tax, through its Executive Director, Kenesha Lattimore, submitted an unsolicited Letter of Intent (“LOI”) to the Debtors. *See* Mot. at 22-24 (LOI). Through the LOI—which begins by explaining that it is “non-binding”—the Movant

² This amount appears to be a typographical error that inflates the Movant’s alleged claim by tens of millions of dollars. The supposed contract submitted by the Movant states that the break-up fee is “3% of [the] Purchase Price (\$114 million).” Mot. at 31.

offered to purchase Spirit for \$3.8 billion. *Id.* at 22 (“AAA Plus Tax Inc (‘Buyer’) proposes to acquire all of the issued and outstanding equity of Spirit Airlines, Inc.” for a “total transaction value [of] \$3.8 billion”). The LOI included various other provisions for the transaction structure, governance of the post-purchase entity, and other conditions. *Id.* It also includes a paragraph under the header “Aircraft Vendor Strategy” that appears to set forth AAA Plus Tax’s contemplated strategy for Spirit, namely, that “future deliveries and fleet modernization will be reassessed with a potential strategic shift to another vender [*sic*], subject to regulatory approval, financing arrangements, and delivery schedules.” *Id.*

An Asset Purchase Agreement accompanied the LOI (the “APA” and, together with the LOI, the “Agreements”) with a header explicitly stipulating “Illustrative Form — Not Legally Binding or Complete.” *Id.* at 25. The APA provides that “[u]pon execution of this Agreement, . . . [the Movant] shall be designated as the stalking-horse bidder in any subsequent Section 363 sale process. In the event that a higher or otherwise better bid is approved by the Bankruptcy Court, Spirit shall pay [the Movant] a break-up fee equal to 3% of the total Transaction Value (\$114 million), plus reimbursement of all documented expenses incurred by [the Movant] in connection with the transaction.” *Id.* at 31. Spirit neither responded to the LOI nor executed the APA.

To support the Movant’s muddled theory, the Motion then alleges that two events, unrelated to both each other and the Agreements, “trigger[ed]” the break-up fee provision in the unexecuted LOI. Mot. at 7. First, the Motion alleges that “the Debtors[’], affiliate, Spirit AeroSystems, [accepted] a 4.7 B offer from Boeing.” *Id.* at 6. Contrary to the Movant’s allegation, however, Spirit AeroSystems is not (nor has it ever been) an affiliate of the Debtors.³

³ On January 5, 2026, Debtors’ counsel contacted Ms. Lattimore, requesting to schedule a phone call with her to explain, among other things, that Spirit AeroSystems is not, and has never been, an affiliate of the Debtors. Ms. Lattimore did not call counsel at the appointed time; instead, she sent an email requesting that counsel accept service via email of additional documents regarding “another offer.” At that point, counsel determined that the most

Second, the Motion alleges that “Spirit Airlines transferred two airport gates to American Airlines for approximately \$30 million,” which occurred “[o]n the same day” that Spirit AeroSystems accepted Boeing’s offer. *Id.* at 6-7. According to the Movant, “[t]he contemporaneous timing of these transactions demonstrates coordinated enterprise-level conduct and reflects the benefit derived from [the Movant’s] proprietary strategy.” *Id.* at 7. The Movant further claims that these transactions “violated the implied covenant of good faith and fair dealing inherent in all contracts” and that the “Debtor’s [*sic*] failure to honor its break-up fee obligation constitutes a breach.” *Id.* at 8.

Although the Debtors sold two gates at Chicago O’Hare International Airport to American Airlines in an agreement executed on December 5, 2025, *see* Dkt. No. 596, this sale was part of the Debtors’ larger restructuring efforts and, of course, wholly unrelated to the decision of the unaffiliated Spirit AeroSystems to accept a bid by (the also unaffiliated) Boeing. Moreover, the Debtors’ decision to sell gates to American Airlines was not a transaction “that utilized or was informed by [the Movant’s] proposal,” *Mot.* at 8, nor could it constitute a breach of the unexecuted Agreements.

III. The Movant Fails to State a Claim for Payment of Administrative Expenses

The Movant seeks payment of an “administrative expense” purportedly pursuant to Sections 503(b)(1)(A) and 507(a)(2), which together provide a second priority for “the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case.” *In re King*, 392 B.R. 62, 67 (Bankr.

prudent course was to cease direct communication with Ms. Lattimore and proceed with filing the instant opposition. Notwithstanding that counsel did not reply to Ms. Lattimore, and certainly did not agree to accept service via email, on January 14, 2026, Ms. Lattimore emailed two documents to counsel: a Motion to Negotiate, and a Notice of Errata. Counsel did not reply to Ms. Lattimore’s January 14 email. On January 15, 2026, Ms. Lattimore filed the Motion to Negotiate, *see* Dkt. No. 691, and Errata Notice, *see* Dkt. No. 692. The Debtors oppose the Motion to Negotiate as equally frivolous.

S.D.N.Y. 2008) (“Section 507(a)(2) states in relevant part that administrative expenses allowed under § 503(b) and any fees and charges assessed against the estate under chapter 123 of title 28 are given second priority.”). But “[a] debtor must derive a benefit under a contract in order for its claim to be accorded administrative expense priority.” *In re Enron Corp.*, 279 B.R. 79, 86 (Bankr. S.D.N.Y. 2002) (citation omitted). Under the two-part test adopted by the Second Circuit, an expense is administrative “1) if it arises out of a transaction between the creditor and the bankrupt’s trustee or debtor-in-possession; and 2) only to the extent that the consideration supporting the claimant’s right to payment was both supplied to and beneficial to the debtor-in-possession in the operation of the business.” *Id.* at 85 (quoting *Amalgamated Ins. Fund v. McFarlin’s Inc.*, 789 F.2d 98, 101 (2d Cir.1986)). “The burden is upon the claimant to establish an entitlement to an administrative priority.” *In re Globe Metallurgical, Inc.*, 312 B.R. 34, 40 (Bankr. S.D.N.Y. 2004) (citation omitted). The Movant fails to carry that burden here.

The Movant cannot satisfy the first prong because there is no applicable transaction. The Motion itself makes clear that the parties never executed the LOI or the APA. *See* Mot. at 22 (“This *non-binding* Letter of Intent” (emphasis added)); *id.* at 25 (“Asset Purchase Agreement . . . *Not Legally Binding or Complete*” (emphasis added)). That fact alone is fatal to the Movant’s claim. Of course, the Movant’s unilateral action of sending the LOI and APA, to which the Debtors neither responded nor executed, does not constitute an enforceable contract under which the Movant can plausibly seek relief. *See, e.g., Karlin v. Avis*, 457 F.2d 57, 62 (2d Cir. 1972) (“In New York unsigned writings prepared by a plaintiff, without more, do not suffice to bind a defendant.”); *In re SunEdison, Inc.*, 576 B.R. 453, 458 (Bankr. S.D.N.Y. 2017) (“An offeror has no power to transform an offeree’s silence into acceptance when the offeree does not intend to accept the offer.” (quoting *Karlin*, 457 F.2d at 62)).

The second prong is equally deficient. The Movant did not supply any consideration to the Debtors, let alone consideration that was “beneficial to [Spirit] in the operation of the business.” *Amalgamated Ins. Fund*, 789 F.2d at 101 (citation omitted). Section 503(b)(1)(A)’s “inclusion of the words ‘actual’ and ‘necessary’ . . . requires that the estate receive a ‘real benefit from the transaction.’” *In re Enron Corp.*, 279 B.R. at 86 (quoting *In re Drexel Burnham Lambert Group Inc.*, 134 B.R. 482, 488 (Bankr. S.D.N.Y. 1991)). In other words, “[t]he estate must have actually benefitted, as opposed to potentially benefitted.” *In re Drexel*, 134 B.R. at 488. Here, the alleged benefits that the Movant conferred on the Debtors consist of the sale of Spirit AeroSystems to Boeing (two separate entities that are wholly unrelated to the Debtors), and Spirit’s decision to sell certain airport gates to American Airlines (an action that cannot be plausibly connected to the Movant’s unexecuted LOI or APA). Neither constitute a benefit to the estates. To the contrary, the only “contribution” the Movant has made to these cases is to force the Debtors to expend precious time and resources on facially specious motions.

The Motion thus fails to establish that there exists any expense that should be accorded administrative status.

IV. Conclusion

For the foregoing reasons, the Movant has failed to carry the burden of establishing that it is entitled to payment from the Debtors’ estate in an administrative expense claim. The Motion should therefore be denied. For avoidance of doubt, the “Motion to Negotiate,” *see* Dkt. No. 691, should also be denied as frivolous.

The Debtors note for the Court’s awareness that Ms. Lattimore has filed numerous unsuccessful lawsuits in a variety of jurisdictions over the past year, all of which have been quickly and summarily dismissed. *See, e.g., Lattimore ex rel. Biden v. Gray*, 2025 WL 370978

(D.D.C. Feb. 3, 2025); *State ex rel. Lattimore v. Franklin Cnty. Municipal Court*, 2025 WL 3174612 (Ohio App. 10 Dist., Nov. 13, 2025); *State ex rel. Lattimore v. Franklin Cty. Court of Common Pleas, Div. of Domestic Relations & Juvenile Div.*, 2024 WL 5167092 (Ohio App. 10 Dist., Dec. 19, 2024). A recent dismissal noted that “[a] court is obligated to dismiss a matter as frivolous when, as here, ‘the facts alleged rise to the level of the irrational or the wholly incredible.’” *Gray*, 2025 WL 370978, at *1 (citation omitted). To the extent Ms. Lattimore continues to file similar frivolous motions in this case, including on behalf of AAA Plus Tax, the Debtors reserve the right to seek relief from the Court, including sanctions. *See In re MF Global Holdings, Ltd.*, 2013 WL 2352440, at *3 (Bankr. S.D.N.Y. May 29, 2013) (imposing monetary fine on pro se litigant for repeated frivolous filings). The Debtors therefore respectfully request, in light of Ms. Lattimore’s litigation history and pattern of communication in this case, that any order on the Motion include a warning from the Court that sanctions may be sought and awarded if Ms. Lattimore continues to make frivolous filings that burden the estate and misuse judicial resources.

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New York, New York

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