

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

In re:

SPIRIT AVIATION HOLDINGS, INC., et al.

Debtors.¹

Chapter 11

Case No. 25-11897 (SHL)

Jointly Administered

Hearing: September 30, 2026

**SUPPLEMENT TO
LIMITED OBJECTION OF AIR LINE PILOTS ASSOCIATION, INTERNATIONAL
TO THE DEBTORS' PROPOSED SALE OF DEIDENTIFIED DATA**

Air Line Pilots Association, International (“ALPA”), a creditor and collective bargaining representative of pilots of the Debtor Spirit Airlines, Inc. (“Spirit”), respectfully submits this supplement to its Limited Objection to the Debtors’ Proposed Sale of Deidentified Data (the “ALPA Obj.”) [ECF No. 1558]. ALPA has reviewed the Supplemental Limited Objection of the Association of Flight Attendants-CWA, AFL-CIO to the Proposed Sale of the Deidentified Data [ECF No. 1656] (the “AFA Supplemental Objection”) and, as with its original objection, adopts and does not repeat the showing made there. The proposed sale is described in the *Notice of Auction Results and Scheduled Hearing for the Deidentified Data* [ECF No. 1463] (the “Sale Notice”). In support of this supplement to the ALPA Obj., ALPA states:

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.

SUPPLEMENTAL OBJECTION

1. Since the filing of the ALPA Obj., ALPA has engaged in productive dialogue with the Debtors concerning issues and concerns it identified with the sale. In the Sale Notice the debtors provided the “Assets Schedule” attached to the Sale Agreement – which is at best a general outline of the data proposed to be sold.² The Sale Notice provides no indication of how Google LLC (“Google”) would use the data it would acquire, nor is there any restriction on Google’s ability to sell the data to another party.

2. ALPA identified concerns with the transfer of confidential information concerning Spirit pilots, because as shown in the Limited Objection of the Association of Flight Attendants-CWA, AFL-CIO to the Proposed Sale of the Deidentified Data [ECF No. 1489] (“AFA Objection”), the Debtors’ proposed sale would transfer substantially all of the airline’s employee-related data with deidentification required only with respect to Spirit’s customers.³ Because the proposed sale requires that linkages between the data sets sold be maintained, Sale Agreement § 3(c), the risks that confidential employee information will be disclosed is heightened because such linkages would facilitate reidentification of specific employees or groups of employees, even if employee names were redacted and the data otherwise deidentified.⁴

² See Sale Notice (Assets Schedule), ALPA Obj. ¶ 9.

³ The recently filed Consumer Privacy Ombudsman’s Report [ECF No. 1581] (the “CPO Report”), addresses consumer information under section 332 of the Code, 11 U.S.C. § 332, and identifies the same enterprise systems as holding employee data. *Id.* at 6 n.7. No comparable party examined the privacy interests of employees in this transaction.

⁴ While a third party will be retained to deidentify the data, that entity has not been disclosed, nor have the particulars of the deidentification process been identified. The Debtors have not shown that its proposed deidentification process adequately minimizes the risk of reidentification. ALPA has thus been unable to review or assess the adequacy of the proposed deidentification process that is a central component of the Debtors’ assurances concerning the data sale.

3. ALPA specifically identified concerns with data concerning key programs related to flight safety:

- Pilot training records, ALPA Obj. ¶ 12;
- Pilot medical records in connection with leave requests and fitness for duty examinations, both required by the CBA to be maintained in confidence, ALPA Obj. ¶¶13-14;
- Records related to fatigue management, also required by the CBA to be maintained in confidence, ALPA Obj. ¶15;
- Data and records related to FAA-approved flight operations safety reporting programs in the CBA (ASAP, FOQA and LOSA, as well as the associated agreement governing information sharing between these programs), ALPA Obj. ¶ ¶ 17-27.

4. The safety of commercial flight operations depends on pilots' voluntary disclosure of information concerning their own medical condition as well as with respect to safety-related incidents. This involves everything from incidents of pilot fatigue to reports of operational deviations to systemic flight operations data, all of which are reviewed in confidence to improve flight schedules, pilot training, and systemic operational practices under FAA-approved safety programs contained in the collective bargaining agreement between ALPA and Spirit (which has not been rejected).

5. The risks that information provided, reviewed and analyzed under such programs will be transferred in the data sale and the pilots involved reidentified extend beyond Spirit to the entire airline industry. Such disclosure risks chilling voluntary participation in safety programs that is absolutely essential to their effectiveness.

6. Absent consensual resolution of the identified concerns, ALPA would intend to present evidence concerning the operation of these safety-related programs at Spirit and how confidentiality is central to the operation of these programs across the industry and would be threatened by disclosure of safety-related data to support its sale objections.⁵

7. Since filing its objection, ALPA has had constructive dialogue with the Debtors concerning issues of particular concern. Those discussions are on-going. The Debtors have, for example, indicated that its data sets relating to union and employee grievances (including with respect to discipline) and collective bargaining are not included in the sale and that email and MS Teams chats for employees in Spirit's Labor Relations department are excluded. Spirit has also indicated that it did not maintain databases concerning the ASAP, FOQA and LOSA programs and that those databases are not included in the sale. Because information and data developed in these programs were shared among Spirit management, ALPA has requested and Spirit is reviewing a request that all employees in Spirit's training and flight operations departments, as well as certain other employees, be excluded from the email and related data bases that are a part of the sale. That critical request remains outstanding.

8. A detailed description of the scope and nature of the assets included in the sale and an itemization of excluded data should be included in any order approving the sale. This is

⁵ The September 30 hearing is noticed via Zoom for Government and inasmuch as evidentiary hearings are held in person in the White Plains courthouse ALPA proceeds on the assumption that the September 30 hearing is not evidentiary as the Court has not otherwise ordered. The Debtors bear the burden of articulating a sound business justification for the sale and the court should consider the interests of the affected parties. *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983). In this connection, the Debtors have presented no evidence by declaration concerning how these risks in particular or employee confidentiality concerns would be addressed through a deidentification process or exclusion. Should the Debtors intend at some point to proceed with an evidentiary presentation, ALPA reserves its right to examine the Debtors' witnesses and to present rebuttal testimony.

imperative as the Assets Schedule is hopelessly vague, but the Debtor has not yet circulated a proposed sale order that reflects the exclusions discussed with ALPA or other objecting parties or circulated a revised Assets Schedule. Thus, the various commitments and understandings tentatively negotiated have not been reduced to binding commitments.⁶

9. ALPA has been advised that the Debtors have lately rejected a proposed adjournment of the September 30 hearing to permit continued discussions. Because the data involved is not (it would appear) diminishing in value and given the impracticality of conducting an evidentiary hearing under governing rules, the basis of Debtors' position is unclear. It is clearly counter-protective to a careful and considered process that preserves employee interests in confidentiality and does not jeopardize programs that are critical to the safety of the airline industry.

10. Moreover, sale of data, derived from employees but in the possession of a debtor as an estate asset is a novel issue under the bankruptcy code, the Court's resolution of these issues will certainly be a guidepost to bankruptcy courts considering future similar transactions and their attendant issues. The objections of ALPA and the other objecting parties should be resolved only on consideration of a full and well-developed record, not rushed through to meet the Debtors arbitrary and unjustified deadline.

⁶ In this connection, ALPA is concerned that since Spirit has ceased operations and the Sale Agreement contains no limitations on the transfer of the acquired data, that any sale order contain protections against future reidentification by a transferee and an enforcement mechanism.

CONCLUSION

11. The Court should adjourn the September 30 hearing and set an evidentiary hearing date not less than 60 (sixty) days from September 30. This would permit the parties to negotiate and resolve the outstanding issues.

Dated: September 25, 2026
McLean, Virginia

Respectfully submitted,

AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL
LEGAL DEPARTMENT

/s Thomas N. Ciantra

Thomas N. Ciantra
Joshua J. Ellison
7950 Jones Branch Drive, Suite 400S
McLean, VA 22102
Tel. (703) 481-2468
Fax (703) 481/2478
Thomas.Ciantra@alpa.org
Joshua.Ellison@alpa.org

*Attorneys for Air Line Pilots
Association, International*