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Attorney for
Meggitt Aircraft Braking Systems, Inc.

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

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In re : **Chapter 11 Case No.**
REPUBLIC AIRWAYS HOLDINGS, INC., et al : **16-10429(SHL)**
Debtors. . : **(Jointly Administered)**
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**RESPONSE OF MEGGITT AIRCRAFT BRAKING SYSTEMS, INC. TO DEBTORS'
RECLAMATION NOTICE UNDER THE ORDER PURSUANT TO 11 U.S.C. §§ 105 &
546(c) ESTABLISHING AND IMPLEMENTING EXCLUSIVE AND GLOBAL
PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS**

Meggitt Aircraft Braking Systems, Inc. ("Meggitt") hereby responds to the Debtors' Reclamation Notice Under the Order Pursuant to 11 U.S.C. §§ 105 & 546(c) Establishing and Implementing Exclusive and Global Procedures for Treatment of Reclamation Claims (Doc. No. 721). This response is based on the Declaration of Eric G. Lardiere being filed in conjunction herewith.

1. The Debtors' Notice indicates Asserted Reclamation Claims are invalid based upon one or more of the following grounds: (i) the Asserted Reclamation Claim will be allowed as an administrative expense; (ii) the Asserted Reclamation Claim was not filed before the Reclamation Deadline; (iii) the Asserted Reclamation Claim is for services rather than goods; (iv) the Asserted Reclamation Claim was received by the Debtors outside the Reclamation.; (v) the Asserted Reclamation Claim is for goods not specifically identifiable or not in the Debtors' possession;

(vi) there is insufficient information to evaluate the Asserted Reclamation Claim; and (vii) the amount of the Asserted Reclamation Claim does not match the Debtors' books and records.

2. Exhibit A to the Debtors' Notice represents that (i) Meggitt's Asserted Reclamation Claim is \$674,713.41; (ii) \$147,556.63 of that Claim will be allowed in accordance with Bankruptcy Code § 503(b)(9); (iii) \$666,733.58 of that Claim was not timely filed; (iv) \$512,031.80 of that Claim was for services rather than goods; (v) \$5,899.14 of that Claim relates to goods not specifically identifiable or not within the Debtors' possession; and (vi) the entire amount of Meggitt's Asserted Reclamation Claim is deemed invalid.

3. No evidence or other information is provided establishing how the Debtors made these determinations reflected in Exhibit A to the Debtors' Notice.

4. Exhibit A to the Debtors' Notice A characterizes a significant portion of the claim, \$512,031.80, as the price for services rather than goods. It is impossible to determine from Exhibit A to the Debtors' Notice which transactions are at issue. The same can be said for the amount for goods allegedly not specifically identifiable or not in the Debtors possession, \$5,899.14.

5. As reflected in the declaration testimony of Eric G. Lardiere of Meggitt accompanying this Response, the Debtors' relationship with Meggitt is governed by the terms of a certain written agreement between the parties (the "Agreement"), which specifically contemplates the Debtors' purchase from Meggitt of goods, specifically wheel/tire assemblies and brake assemblies. True, the Agreement also contemplates Meggitt providing services to the Debtors, but the Agreement deals primarily with the sale and purchase of goods.

6. Section 5 of the Agreement provides the Debtors are entitled to "purchase credits" under certain circumstances. Since the prices for Meggitt's goods sold to the Debtors do not include tires, Section 8.1 of the Agreement obligates Meggitt to "purchase tires, maintain the tire pool, and invoice Buyer for all tires shipped during the month at the price Seller pays for the tires."

7. Section 12.3 of the Agreement provides: "Buyer shall be responsible for validation of Seller's recommendation and issuance of purchase orders for replenishment and up-dating of stock.

8. Section 17.3 of the Agreement addresses situations in which the Debtor elects to purchase some or all of the products covered by the Agreement from different vendors. It provides that: "...the foregoing provisions do not purport to diminish the serious commitment that Buyer has to purchase/use effectively, the wheels, brakes and parts to be bought from Seller under the terms of this Agreement.:

9. Amendment 1 sets forth modifications to the purchase price structure for Meggitt products. Section 6 of Amendment 1 provides that Meggitt will provide a discount for certain wheel assemblies sold to the Debtor with the proviso that: "These assemblies shall be for Buyer's use only and not for third party resale."

10. Meggitt has complied with its obligations under Bankruptcy Code § 546(c). It not only has submitted evidence of an underlying written agreement governing sales of goods to the Debtors, it also has provided written evidence of the specific transactions at issue including the respective dates of sale and the identity of the goods sold. It also has made a timely demand for return of its goods.

11. The Debtors' contention that reclamation claims for goods that cannot be reconciled with the Debtors' books and records should be ignored, for the Debtors failed to submit any evidence about those books and records.

12. For the foregoing reasons, Meggitt Aircraft Braking Systems, Inc. respectfully requests the Court to allow in full its reclamation claim.

Dated: Los Angeles, California
July 18, 2016

JOHN P. KREIS, PC

s/John P. Kreis
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CERTIFICATE OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and my business address is 1000 Wilshire Blvd., Suite 570, Los Angeles, California 90017.

On July 18, 2016, I served the foregoing documents described as **“RESPONSE OF MEGGITT AIRCRAFT BRAKING SYSTEMS, INC. TO DEBTORS’ RECLAMATION NOTICE UNDER THE ORDER PURSUANT TO 11 U.S.C. §§ 105 & 546(c) ESTABLISHING AND IMPLEMENTING EXCLUSIVE AND GLOBAL PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS”** on the interested parties in this action as follows:

SEE ATTACHED SERVICE LIST

- () By mail, I caused said document to be placed in an envelope, with postage thereon fully prepaid, in the United States mail at Los Angeles, California.
- (XX) By email, I caused said document to be transmitted for immediate receipt to the office(s) of the addressee(s) listed above/on the attached service list to the corresponding facsimile number(s) indicated by “*.”
- () By personal service, I caused said document to be personally delivered to the office(s) of the addressee(s) via ACE MESSENGER SERVICE.
- () By Federal Express, I caused said document to be delivered for overnight/next business to the office(s) of the addressee(s).

Executed on July 18, 2016, at Los Angeles, California. I declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge.



Vicki Berndt

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Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, New York 10004 (Attn: Christopher K. Kiplok, Esq. (chris.kiplok@hugheshubbard.com) and Gabrielle Glemann, Esq. (gabrielle.glemann@hugheshubbard.com))

Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto, Esq.),

Morrison & Foerster LLP, 250 West 55th Street, New York, New York 10019 (Attn: Brett H. Miller, Esq. (bmiller@mof.com), Todd M. Goren, Esq. (tgoren@mof.com), and Erica J. Richards, Esq. (erichards@mof.com)),

Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Adam C. Harris, Esq. (adam.harris@srz.com), Lawrence V. Gelber, Esq. (lawrence.gelber@srz.com), and David M. Hillman, Esq. (david.hillman@srz.com))

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Exhibit AMaster Service List
Served as set forth below

DESCRIPTION	NAME	ADDRESS	EMAIL	METHOD OF SERVICE
Attorneys for Republic's Code-share partners	American Airlines Group, Inc.	Attn: Steffen Horlacher - Director, Senior Attorney 4333 Amon Carter Boulevard MD 5675 Fort Worth TX 76155	Steffen.Horlacher@aa.com	Email
Top 10 Secured Claim Holder	Brazilian National Bank for Economic and Social Development (BNDES)	Attn: Superintendencia da Area de Exportacao Agencia Especial de Financiamento Industrial - FINAME c/o Area de Exportacao Av. Republica do Chile, 330-22 Torre Oeste Rio de Janeiro RJ 20031-917 Brazil	bndes.alc@bndes.gov.br	Email
United States Bankruptcy Court for the Southern District of New York	Chambers of Honorable Judge Sean H. Lane	Republic Airways Holdings Inc. Chambers Copy US Bankruptcy Court SDNY One Bowling Green New York NY 10004-1408		First Class Mail
Chatham County Tax Commissioner	Chatham County Tax Commissioner	Attn: Theresa C. Harrelson PO Box 8324 Savannah GA 31412-8324		First Class Mail
Attorneys for Republic's Code-share partners	Delta Air Lines, Inc.	Attn: Peter W. Carter - Executive Vice President & Chief Legal Officer 1030 Delta Blvd. Dept. 945 Atlanta GA 30320	peter.carter@delta.com	Email
Top 10 Secured Claim Holder	Deutsche Bank	AG London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom		First Class Mail
Top 10 Secured Claim Holder	Dougherty Funding, LLC	Attn: Al Weingart 90 South Seventh Street Suite 4300 Minneapolis MN 55402	squam@doughertymarkets.com aweingart@doughertymarkets.com	Email
Internal Revenue Service	Internal Revenue Service	Attn: District Director 290 Broadway New York NY 10007		First Class Mail
International Brotherhood of Teamsters	International Brotherhood of Teamsters	Attn: General Counsel 25 Louisiana Avenue, N.W. Washington DC 20001		First Class Mail
Top 10 Secured Claim Holder	Metropolitan Life Insurance Company	Attn: Director Leveraged Leases 10 Park Avenue P.O. Box 1902 Morristown NJ 07962	sashon1@metlife.com	Email
Attorneys for the Agents Under the Debtors' Prepetition Revolving Credit Facilities - Citibank N.A.	Milbank Tweed	Attn: Jim Pascale One Chase Manhattan Plaza New York NY 10005	jpascale@milbank.com	Email

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Exhibit AMaster Service List
Served as set forth below

DESCRIPTION	NAME	ADDRESS	EMAIL	METHOD OF SERVICE
Top 10 Secured Claim Holder	Natixis Transport Finance	Attn: Transportation Finance BP 4 Paris 75060 Cedex 02 France	investorelations@natixis.com	Email
Top 10 Secured Claim Holder	Norddeutsche Landesbank Girozentrale	Attn: Ship and Aircraft Finance Dept. Friedrichswall 10 Hannover 30159 Germany		First Class Mail
Top 10 Secured Claim Holder	NY Life Insurance and Annuity Corporation	Attn: Fixed Income Investors Group, Private Finance c/o NY Life Investment Management, LLC 51 Madison Avenue, 2nd Floor, Room 208 New York NY 10010-1603	FIIGLibrary@nylim.com	Email
Top 10 Secured Claim Holder	NY Life Insurance Company	Attn: Fixed Income Investors - Structured Products Group c/o NYL Investors, LLC 51 Madison Avenue, 2nd Floor, Room 208 New York NY 10010-1603		First Class Mail
Office of United States Trustee - Southern District of New York	Office of the United States Trustee for Region 2	Attn: Brian Masumoto 201 Varick Street Suite 1006 New York NY 10014	Brian.Masumoto@usdoj.gov	Email
Top 10 Secured Claim Holder	PK AirFinance US, Inc.	Attn: Vice President 601 Merritt Seven 5th Floor Norwalk CT 06851		First Class Mail
Top 10 Secured Claim Holder	RPAK 2015-1 Aircraft Loan Trust	c/o Wells Fargo Delaware Trust Company, N.A. 919 N Market Street Suite 1600 Wilmington DE 19801		First Class Mail
Securities and Exchange Commission - Headquarters	Securities & Exchange Commission	Attn: Secretary of the Treasury 100 F St., N.E. Washington DC 20549	secbankruptcy@sec.gov NYROBankruptcy@sec.gov	Email
Securities and Exchange Commission - Regional Office	Securities & Exchange Commission – NY Office	Attn: Bankruptcy Dept. Brookfield Place 200 Vesey Street, Ste. 400 New York NY 10281-1022	bankruptcynoticeschr@sec.gov	Email
Attorneys for Republic's Code-share partners	United Airlines, Inc.	Attn: Cherie Francl - Senior Counsel/Managing Director 233 S. Wacker Dr. Chicago IL 60606	Cheryl.Francl@united.com	Email
Office of the United States Attorney for the Southern District of New York	United States Attorney's Office	86 Chambers Street 3rd Floor New York NY 10007		First Class Mail