

**Hearing Date & Time: November 28, 2016 at 11:00 a.m. (Eastern Time)**  
**Objection Deadline: November 21, 2016 at 4:00 p.m. (Eastern Time)**  
**Reply Deadline: November 22, 2016 at 5:00 p.m. (Eastern Time)**

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**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.<sup>1</sup>** : **(Jointly Administered)**

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**DEBTORS' OMNIBUS RESPONSE TO DEUTSCHE BANK AG NEW YORK  
BRANCH'S AND AGÊNCIA ESPECIAL DE FINANCIAMENTO INDUSTRIAL –  
FINAME'S LIMITED OBJECTIONS TO DEBTORS' MOTION PURSUANT TO  
SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY  
RULE 6004 FOR APPROVAL OF (I) MERGER OF SHUTTLE AMERICA  
CORPORATION INTO REPUBLIC AIRLINE INC., AND (II) SURRENDER OF THE  
SHUTTLE AMERICA CORPORATION AIR CARRIER CERTIFICATE**

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<sup>1</sup> The Debtors in these chapter 11 cases are the following entities: Republic Airways Services, Inc.; Shuttle America Corporation; Republic Airline Inc.; Republic Airways Holdings Inc.; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.

TO THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE:

Republic Airways Holdings Inc. (“RAH”) and those of its subsidiaries that are debtors and debtors in possession in these proceedings (together with RAH, “Republic” or the “Debtors”), submit this response (the “Response”) to (i) the Limited Objection of Deutsche Bank AG New York Branch to the Debtors’ Motion Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6004 for Approval of (I) Merger of Shuttle America Corporation into Republic Airline Inc., and (II) Surrender of the Shuttle America Corporation Air Carrier Certificate [ECF No. 1209] (the “Deutsche Bank Limited Objection”) and (ii) the Limited Objection of Agência Especial de Financiamento Industrial – FINAME to the Debtors’ Motion Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6004 for Approval of (I) Merger of Shuttle America Corporation into Republic Airline Inc., and (II) Surrender of the Shuttle America Corporation Air Carrier Certificate [ECF No. 1206] (the “FINAME Limited Objection,” and together with the Deutsche Bank Limited Objection, the “Limited Objections”). In support of this Response and in further support of the Motion,<sup>1</sup> the Debtors respectfully represent as follows:

**The Debtors’ Response**

1. In the Limited Objections, Deutsche Bank AG New York Branch (“Deutsche Bank”) and Agência Especial de Financiamento Industrial – FINAME (“FINAME”) do not dispute that the relief requested in the Motion—the merger of Shuttle America into Republic Airline, the consolidation of the Debtors’ flying operations under a single Republic Airline ACC, and the surrender of the Shuttle America ACC—is in the best interests of the

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1. On November 3, 2016, the Debtors’ filed the Motion Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6004 for Approval of (i) Merger of Shuttle America Corporation into Republic Airline Inc., and (ii) Surrender of the Shuttle America Corporation Air Carrier Certificate [ECF No. 1165] (the “Motion”). Capitalized terms used but defined herein shall have the meaning set forth in the Motion.

Debtors' estates and a sound exercise of the Debtors' business judgment. Rather, the Limited Objections each request that if the Court enters an order granting the relief requested in the Motion, that such order make clear that it does not affect Deutsche Bank's and FINAME's respective rights or remedies under their contracts with the Debtors or under section 1110 of the Bankruptcy Code.

2. To address the concerns raised in the Limited Objections, the Debtors have agreed to include the language in paragraph 9 of the revised proposed order annexed hereto as Exhibit A. The Debtors have conferred with counsel for Deutsche Bank and counsel for FINAME, who have informed the Debtors that the inclusion of the language in paragraph 9 resolves the Limited Objections.

3. The Debtors also have agreed, at the request of certain of their aircraft finance counterparties, to include the language in paragraph 8 of the revised proposed order annexed hereto as Exhibit A. Counsel for Deutsche Bank has informed the Debtors that Deutsche Bank reserves its rights to object to the language in paragraph 8.

4. A blackline comparing the revised proposed order annexed hereto as Exhibit A against the proposed order submitted with the Motion is annexed hereto as Exhibit B.

**Conclusion**

WHEREFORE, the Debtors respectfully request entry of the proposed order annexed hereto as Exhibit A (a) approving the Merger, (b) approving the surrender of the Shuttle America ACC, and (c) granting such other and further relief as is just.

Dated: New York, New York  
November 22, 2016

/s/ Gary D. Ticoll  
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*Attorneys for the Debtors and Debtors in Possession*

## **Exhibit A**

**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.<sup>1</sup>** : **(Jointly Administered)**

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**ORDER PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY  
CODE AND BANKRUPTCY RULE 6004 FOR APPROVAL OF (I) MERGER OF  
SHUTTLE AMERICA CORPORATION INTO REPUBLIC AIRLINE INC., AND (II)  
SURRENDER OF THE SHUTTLE AMERICA CORPORATION  
AIR CARRIER CERTIFICATE**

A hearing having been held on November 28, 2016 (the "Hearing"), to consider the motion, dated November 3, 2016 (the "Motion"),<sup>2</sup> of Republic Airways Holdings Inc. ("RAH"), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, "Republic" or the "Debtors"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and rule 6004 of the Federal Rules of Bankruptcy Procedure, for approval of (i) merger of Shuttle America Corporation into Republic Airline Inc., and (ii) surrender of the Shuttle America Corporation Air Carrier Certificate ("ACC"), each as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to

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1. The Debtors in these chapter 11 cases are the following entities: Republic Airways Holdings Inc.; Republic Airways Services, Inc.; Republic Airline Inc.; Shuttle America Corporation; Midwest Air Group, Inc.; Midwest Airlines, Inc.; and Skyway Airlines, Inc. The Debtors' employer tax identification numbers and addresses are set forth in their respective chapter 11 petitions.
  2. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been provided in accordance with the Court's Case Management Order dated March 2, 2016 (ECF No. 70) ("CMO"), and it appearing that no other or further notice need be given; and the Court having considered the Motion, the papers in support thereof, the Bedford Declaration, and all of the proceedings had before the Court; and the appearances of all interested parties having been noted in the record of the Hearing; and after due deliberation and sufficient cause appearing therefor, and for reasons stated in the record of the Hearing;

**IT IS HEREBY FOUND AND CONCLUDED** that:

A. The statutory predicates for the relief requested in the Motion are sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 6004.

B. Proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the CMO, and no other or further notice of the Motion or the entry of this Order shall be required.

C. Based on the record before the Court, the Debtors have demonstrated good and sufficient reasons for the Court to approve the Motion.

D. The Merger and the transactions contemplated in the Motion, and entry of this Order, is in the best interests of the Debtors' estates and creditors.

E. Sound business reasons have been articulated for the Merger and the transactions contemplated in the Motion.

F. As set forth in the Motion, the Debtors will, upon entry of and in reliance on this Order, *inter alia*, take numerous steps and actions with respect to effectuating the Merger and consolidating their flying operations under a single ACC.

G. Each of the foregoing findings by the Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings and a conclusion of law if and to the full extent that it makes legal conclusions.

**IT IS HEREBY ORDERED** that:

1. The Motion is hereby granted as provided herein. To the extent any objections or reservations of rights to the Motion have not been withdrawn or resolved by this Order, they are overruled in all respects on the merits.

2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to effect the Merger on or about January 31, 2017, and enter into any all transactions and take any actions contemplated thereby.

3. Pursuant to section 363(b) of the Bankruptcy Code, Shuttle America is authorized, but not directed, to surrender the Shuttle America ACC within 30 days of the Debtors' consolidation of operations under the single Republic Airline ACC.

4. Shuttle and Republic Airline are authorized to take all such actions as may be necessary or appropriate to effect the Merger, including causing a certificate of merger to be filed with the Secretary of State of the State of Indiana in accordance with the Indiana Business Corporation Law.

5. The Debtors are authorized to execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and to take any and all actions that may be reasonably necessary or appropriate to effect the Merger.

6. Any person or entity that did not timely object to the Motion is deemed to consent to the relief granted herein.



7. Notwithstanding the provisions of Bankruptcy Rule 6004, this Order shall not be stayed for 14 days after the entry hereof, but shall be effective and enforceable immediately upon entry by this Court.

8. Upon the merger of Shuttle into Republic Airline as authorized by this Order, any claim against Shuttle or Republic Airline will be treated substantially similarly and shall be a claim only against Republic Airline, the surviving entity; such claim will be entitled to a single distribution from Republic Airline under a chapter 11 plan, and no holder of any claim will have any entitlement for an administrative claim or other priority status due to any alleged damages arising from such merger.

9. For the avoidance of doubt, the relief granted in this Order does not affect or create a waiver of the rights or remedies of the Debtors' aircraft finance counterparties, including Deutsche Bank AG New York Branch and Agência Especial de Financiamento Industrial (or the relevant security trustees) under their contracts with the Debtors or under section 1110 of the Bankruptcy Code.

10. The Motion satisfies rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York  
\_\_\_\_\_, 2016

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Honorable Sean H. Lane  
United States Bankruptcy Judge

## **Exhibit B**

**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.<sup>1</sup>** : **(Jointly Administered)**  
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**ORDER PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE BANKRUPTCY  
CODE AND BANKRUPTCY RULE 6004 FOR APPROVAL OF (I) MERGER OF  
SHUTTLE AMERICA CORPORATION INTO REPUBLIC AIRLINE INC., AND (II)  
SURRENDER OF THE SHUTTLE AMERICA CORPORATION  
AIR CARRIER CERTIFICATE**

A hearing having been held on November 28, 2016 (the "Hearing"), to consider the motion, dated November 3, 2016 (the "Motion"),<sup>2</sup> of Republic Airways Holdings Inc. ("RAH"), and certain of its wholly-owned direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively with RAH, "Republic" or the "Debtors"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and rule 6004 of the Federal Rules of Bankruptcy Procedure, for approval of (i) merger of Shuttle America Corporation into Republic Airline Inc., and (ii) surrender of the Shuttle America Corporation Air Carrier Certificate ("ACC"), each as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been provided

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<sup>2</sup>. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

in accordance with the Court's Case Management Order dated March 2, 2016 (ECF No. 70) ("CMO"), and it appearing that no other or further notice need be given; and the Court having considered the Motion, the papers in support thereof, the Bedford Declaration, and all of the proceedings had before the Court; and the appearances of all interested parties having been noted in the record of the Hearing; and after due deliberation and sufficient cause appearing therefor, and for reasons stated in the record of the Hearing;

**IT IS HEREBY FOUND AND CONCLUDED** that:

A. The statutory predicates for the relief requested in the Motion are sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 6004.

B. Proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the CMO, and no other or further notice of the Motion or the entry of this Order shall be required.

C. Based on the record before the Court, the Debtors have demonstrated good and sufficient reasons for the Court to approve the Motion.

D. The Merger and the transactions contemplated in the Motion, and entry of this Order, is in the best interests of the Debtors' estates and creditors.

E. Sound business reasons have been articulated for the Merger and the transactions contemplated in the Motion.

F. As set forth in the Motion, the Debtors will, upon entry of and in reliance on this Order, *inter alia*, take numerous steps and actions with respect to effectuating the Merger and consolidating their flying operations under a single ACC.

G. Each of the foregoing findings by the Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings and a conclusion of law if and to the full extent that it makes legal conclusions.

**IT IS HEREBY ORDERED** that:

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2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to effect the Merger on or about January 31, 2017, and enter into any all transactions and take any actions contemplated thereby.

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4. Shuttle and Republic Airline are authorized to take all such actions as may be necessary or appropriate to effect the Merger, including causing a certificate of merger to be filed with the Secretary of State of the State of Indiana in accordance with the Indiana Business Corporation Law.

5. The Debtors are authorized to execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and to take any and all actions that may be reasonably necessary or appropriate to effect the Merger.

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7. Notwithstanding the provisions of Bankruptcy Rule 6004, this Order shall not be stayed for 14 days after the entry hereof, but shall be effective and enforceable immediately upon entry by this Court.

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11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York  
\_\_\_\_\_, 2016

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Honorable Sean H. Lane  
United States Bankruptcy Judge

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Document 2 ID	interwovenSite://US-DMS/US/74270784/1
Description	#74270784v1<US> - Exhibit A to Merger Motion Reply
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