

**Hearing Date: June 4, 2013 at 11:00 am**  
**Objection Deadline: May 24, 2013 at 12:00 pm**

Ira H. Goldman, Esq. (IG-5192)  
Kathleen M. LaManna, Esq. (KG-3869)  
Corrine L. Burnick, Esq. (CB-9072)  
SHIPMAN AND GOODWIN LLP  
One Constitution Plaza  
Hartford, Connecticut 06103  
Telephone: (860) 251-5000

Mark L. Prager  
Douglas E. Spelfogel  
FOLEY & LARDNER LLP  
90 Park Avenue  
New York, New York 10016-1314  
Telephone: (212) 682-7474  
Facsimile: (212) 687-2329

*Attorneys for U.S. Bank National Association, as Trustee, and U.S. Bank Trust National Association, as Trustee*

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

In Re:	:	Chapter 11
	:	
AMR CORPORATION, et al.,	:	Case No. 11-15463 (SHL)
	:	Jointly Administered
Debtors.	:	
	:	

**LIMITED OBJECTION OF U.S. BANK NATIONAL ASSOCIATION AND U.S. BANK TRUST NATIONAL ASSOCIATION, AS TRUSTEE, TO DEBTORS' MOTION FOR AN ORDER (I) APPROVING NOTICE OF DISCLOSURE STATEMENT HEARING; (II) APPROVING DISCLOSURE STATEMENT; (III) ESTABLISHING A RECORD DATE; (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE PLAN; (V) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (VI) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN; AND (VII) APPROVING THE FORM OF NOTICE TO NON-VOTING CLASSES UNDER THE PLAN**

NOW COMES U.S. Bank National Association (“*U.S. Bank*”) and U.S. Bank Trust National Association (“*U.S. Bank Trust*”), as Trustee (the “*Trustee*”),<sup>1</sup> by and through their undersigned counsel, and for their Objection to the Motion of Debtors for an Order (I) Approving Notice of Disclosure Statement Hearing; (II) Approving Disclosure Statement; (III) Establishing a Record Date; (IV) Establishing Notice and Objection Procedures for Confirmation of the Plan; (V) Approving Solicitation Packages and Procedures for Distribution thereof; (VI) Approving the Forms of Ballots and Establishing Procedures for Voting on the Plan; and (VII) Approving the Form of Notice to Non-Voting Classes Under the Plan (the “*Motion*”), to respectfully state as follows<sup>2</sup>:

#### **PRELIMINARY STATEMENT**

The Trustee files this limited objection with respect to all of the transactions as to which it acts in a trustee capacity (the “*Trustee Transactions*”). U.S. Bank and/or U.S. Bank Trust may be filing additional objections with respect to specific transactions. This limited objection is in addition to, and separate from, any such additional objection.

When the Trustee reviewed the Motion, it identified a small number of instances where there were ambiguities or technical problems regarding the Debtors’ Disclosure Statement and proposed voting procedures that could be easily corrected to allow the plan confirmation process to proceed more smoothly and in a manner that would be less confusing to the investors in the

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<sup>1</sup> U.S. Bank or U.S. Bank Trust serves as owner trustee, loan trustee, indenture trustee, security agent, pass through trustee and/or subordination agent in connection with multiple transactions involving the issuance of public and private securities, the payment of which is secured by, among other collateral, Aircraft Equipment leased to or owned and mortgaged by the Debtors.

<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion, the Disclosure Statement or the proposed Plan.

Trustee Transactions. In advance of filing this limited objection, the Trustee raised its concerns with Debtors' counsel in hopes of reaching a consensual resolution and obviating the need for a formal objection. While the parties continue to engage in a constructive dialogue on these points and the Trustee remains hopeful that a consensual resolution will, ultimately, be achieved, the Trustee nonetheless files this limited objection to preserve its rights. As set forth more fully below, the limited objections raised herein relate primarily to the fact that, as currently written, the Plan and Disclosure Statement fail to adequately and clearly address (i) the role of the Trustee, as "Servicer," with respect to Plan distributions, (ii) the treatment of the securities issued in the Trustee Transactions, and (iii) the role of the Trustee, as "Servicer," with respect to voting on the Plan.

#### **OBJECTION**

1. Section 5.2(a) of the Plan is inconsistent with Section IV(E)(2) of the Disclosure Statement, in that the Plan provision omits the phrase "or Servicer" in the first clause of the first sentence. The Trustee believes that this is simply an error, and that the Disclosure Statement is correct, but because this discrepancy could have material consequences, it needs to be addressed before the Plan is disseminated for voting purposes.

2. Section 5.4(c) of the Plan, and Section IV(E)(4) of the Disclosure Statement, each correctly reflect that a Servicer is to make distributions to holders, but seem to restrict such distributions to situations where securities are to be surrendered. The wording needs to be modified to cover situations where the securities in question are not going to be surrendered.

3. Section 6.14 of the Plan, and Section IV(E)(15) of the Disclosure Statement, each state that Aircraft Securities are to be cancelled on the Effective Date. With respect to many of the

Trustee Transactions, the underlying notes were made by a third party, i.e. an owner trustee, even though such transactions involve leases of Aircraft Equipment to the Debtors as collateral and one or more of the Debtors as instrumental parties. The provisions as currently written are misleading and insufficient to deal with the variety of situations that will exist on the Effective Date with respect to the Trustee Transactions as a result of, among other things, negotiated settlements or lease rejections. There may also be ambiguities as to the continuation of Trustee Transactions where one or more of the Debtors are obligors. The problems are exacerbated by the fact that the term Aircraft Securities is defined by reference to an exhibit to the Plan that does not yet exist. This same issue has been dealt with successfully in other airline Chapter 11 proceedings, and the Trustee believes that such successful solutions can be implemented in this case as well. In the absence of any modifications to address this issue, however, the Disclosure Statement is confusing, and the Plan and Disclosure Statement provisions regarding cancellation of Aircraft Securities are insufficient to cover the various situations that will exist with respect to the Trustee Transactions on the Effective Date.

4. Section 10.7 of the Plan, and Section IV(I)(1) of the Disclosure Statement, provide exculpation for, among other parties, Indenture Trustees. The Trustee is a Servicer under the Plan, and is not included in the current language. Because the Trustee is similarly situated with the Indenture Trustees, and because the Trustee is working constructively on Plan issues as exemplified by this pleading, we believe that this omission should be corrected.

5. The voting procedures set forth in the Motion do not adequately address the complicated nature of the Trustee Transactions and the variety thereof. In almost all of the Trustee Transactions, a right to vote exists with respect to either an allowed claim, a disputed

claim or a contingent claim, but the voting procedures do not address how ballots are to be disseminated and collected from the ultimate holders of the securities issued in the Trustee Transactions. Again, this same issue has been dealt with successfully in other airline Chapter 11 proceedings, and the Trustee believes that such successful solutions can be implemented in this case, as well. In the absence of such modifications, however, the voting procedures are inadequate and confusing, and if approved in current form could adversely impact or delay the plan confirmation process.

6. The Trustee reserves its right to object to the confirmation of the Plan, and nothing in this pleading shall constitute a waiver of any such right.

WHEREFORE, the Trustee objects to the relief sought by the Motion unless the Disclosure Statement, Plan and voting procedures are modified as described herein.

Dated: May 24, 2013  
New York, New York

Respectfully submitted,

*U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,  
AND U.S. BANK TRUST NATIONAL ASSOCIATION,  
AS TRUSTEE*

By Its Attorneys,

/s/ Ira H. Goldman

Ira H. Goldman, Esq. (IG-5192)  
Kathleen M. LaManna, Esq. (KG-3869)  
Corrine L. Burnick, Esq. (CB-9072)  
SHIPMAN AND GOODWIN LLP  
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