SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036
Jay M. Goffman

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
155 North Wacker Drive
Chicago, Illinois 60606
John Wm. Butler, Jr.
Albert L. Hogan, III
John K. Lyons
Felicia Gerber Perlman

Attorneys for the Official Committee of Unsecured Creditors

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.	:	

JOINDER TO DEBTORS' REPLY (DOCKET NO. 8485) AND STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (A) IN SUPPORT OF DEBTORS' DISCLOSURE STATEMENT APPROVAL MOTION (DOCKET NO. 7633) AND SUPPORT AND SETTLEMENT AGREEMENT APPROVAL MOTION (DOCKET NO. 8154) AND (B) IN RESPONSE TO LIMITED OBJECTIONS AND RESERVATIONS OF RIGHTS TO DISCLOSURE STATEMENT APPROVAL MOTION (DOCKET NOS. 8244, 8283, 8291, 8292, 8295, 8296, 8297, 8298, 8300, 8301, 8302, 8304, AND 8309)

The Official Committee of Unsecured Creditors (the "Committee") hereby submits this joinder to the Debtors' reply (Docket No. 8485) and statement (the "Statement") (a) in support of the Debtors' Motion for an Order (I) Approving Notice of Disclosure Statement; (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 (Docket No. 7633) (the "Disclosure Statement Motion") and Motion of Debtors for Entry of Order Pursuant to 11 U.S.C. § 363(b) Approving Support and Settlement Agreement Among Debtors and Consenting Creditors (Docket No. 8154) (the "Support and Settlement Motion," and together with the Disclosure Statement Motion, the "Motions") and (b) in response to objections and reservations of rights to the Motion (Docket Nos. 8244, 8283, 8291, 8292, 8295, 8296, 8297, 8298, 8301, 8302, 8304, and 8309) (collectively, the "Objections"). With respect to the Motions, the Committee respectfully represents as follows:

Preliminary Statement

1. Throughout these cases, the Committee has worked closely and collaboratively with the Debtors to systematically evaluate the Debtors' restructuring alternatives, identify a path for emergence that maximizes the value of the Debtors' enterprise, and craft a confirmable plan of reorganization that enjoys the strong support of general unsecured creditors and other economic stakeholders. The Committee believes that the Debtors' proposed Joint Chapter 11 Plan (Docket No. 7631) (the "Plan") is consistent with these goals. The Plan, which is predicated on the Merger of the Debtors and US Airways, embodies a carefully considered

global settlement of various disputed issues, as reflected in the 9019 Settlement.[1] This settlement provides for the distributions to the Debtors' stakeholders contemplated by the Plan, and compromises numerous highly complex issues in order to avoid the risks, length, cost and uncertainties of litigation regarding, among other things, the recharacterization of Intercompany Claims, intercreditor and guaranty issues, and the potential marshaling of claims in determining creditors' relative entitlements to distributions under a plan. The timely resolution of these issues, as reflected in the Plan, will permit the Debtors to expeditiously emerge from bankruptcy and consummate the Merger. The Committee believes that the Debtors' proposed Plan presents the best available option to facilitate the Debtors' transformation into a profitable and sustainable airline, and accordingly supports the prompt approval of the proposed Disclosure Statement for the Debtors' Joint Chapter 11 Plan (Docket No. 7632) (the "Disclosure Statement") and the submission of the Plan to creditors and interest holders for a vote in accordance with sections 1125 and 1126 of the Bankruptcy Code.

2. Given its extensive collaboration with the Debtors on all major issues in these cases, the Committee is uniquely well positioned to assess the adequacy of the proposed Disclosure Statement, including whether the Disclosure Statement accurately and completely reflects the critical issues extant in these cases and the settlements embodied in the Plan. Indeed, the Disclosure Statement was drafted in close collaboration with the Committee and incorporates extensive comments from the Committee and its professionals. The Committee's principal objective in this process was to assist the Debtors in crafting a Disclosure Statement that contains adequate information in order to permit general unsecured creditors and others to cast an informed vote on the Plan, as required by section 1125 of the Bankruptcy Code. The Committee

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement.

submits that the Disclosure Statement, as amended by the Debtors in response to the objections, limited objections, and reservations of rights discussed below, fully satisfies this standard. Accordingly, the Committee urges the Court to approve the Disclosure Statement as the basis on which to solicit acceptances of the Plan.

3. The Plan is predicated on estates that are reorganization solvent, and which are anticipated to have a material surplus after distributions to creditors, measured in what will likely be more than $1 billion in distributions to holders of prepetition equity, depending on the market test incorporated into the Plan's distribution mechanics. This is the prism through which the Disclosure Statement and Plan should be evaluated. While the voting that will occur during the solicitation period will be the definitive marker, given the lack of objections to date, the fact is that the Plan appears to enjoy overwhelming support by creditors and other parties in interest. This support owes in large part to the extensive efforts of the Debtors, the Committee, financial creditors, labor organizations, and other key stakeholders to consensually resolve disputed issues and identify a reorganization strategy that delivers superior value to the Debtors' economic stakeholders. Consistent with the broad support the Plan enjoys among the Debtors' economic stakeholders, only five parties in interest filed objections and/or reservations of rights to the Disclosure Statement Motion:[2]

(a) The United States Trustee (the "U.S. Trustee") filed an objection (Docket No. 8309) arguing that the Disclosure Statement contains inadequate disclosure regarding several elements of the Plan, including the 9019 Settlement and the proposed substantive consolidation of the Debtors. In addition, notwithstanding (a) major precedential decisions in this district, (b) the Debtors' solvency, and (c) the language of section 1129(a)(4), the U.S. Trustee argues that the Plan is "patently unconfirmable" because it incorporates approval of (i) a payment to the Debtors' CEO (the "Chairman Letter Agreement") and (ii) the payment of professional fees incurred by individual members of the Committee, which the U.S. Trustee contends violate sections 503(c) and 503(b), respectively, of the

[2] No objections have been filed to the Support and Settlement Motion.

Bankruptcy Code. The U.S. Trustee apparently intends to prosecute this objection irrespective of any of the facts and circumstances that exist in these unique chapter 11 cases, the vote of stakeholders on the Plan, the case law in this district supporting plan proponents' flexibility to provide for such payments under a plan, and the statutory framework under which courts are obligated to consider the confirmation of plans of reorganization.

(b) U.S. Bank National Association and U.S. Bank Trust National Association (collectively, "U.S. Bank"), filed eight objections, limited objections, or reservations of rights (Docket Nos. 8283, 8291, 8292, 8295, 8297, 8301, 8302, and 8304) (the "U.S. Bank Responses") in its capacity as trustee, servicer, or security agent with respect to several issuances of secured aircraft debt and other secured debt. U.S. Bank Responses identify a number of purported deficiencies in the Disclosure Statement, most of which are limited or technical in nature and appear to have been resolved by the Debtors' proposed amendments to the Disclosure Statement.

(c) Citibank, N.A. ("Citibank") filed an objection (Docket No. 8298) arguing that the Disclosure Statement contains inadequate information concerning the agreements between the Debtors and Citibank governing the Debtors' co-branded credit card program (the "AAdvantage Agreements"). Specifically, Citibank contends that (a) the Disclosure Statement does not disclose the impact of certain rejection damage claims Citibank purportedly would hold should the Debtors reject the Citibank AAdvantage Agreements and (b) the Debtors must assume the Citibank AAdvantage Agreements on a final basis before creditors can cast an informed vote on the Plan. As noted in the Debtors' Reply (Docket No. 8485, Ex. A), the Debtors have agreed to assume the Citibank Agreements pursuant to section 365 of the Bankruptcy Code, such assumption to be conditioned on, and to become effective on, the Confirmation Date. A stipulation resolving the Citibank Objection—among the Debtors, the Committee, and Citibank—will be presented to the Court at the June 4 hearing.[3]

(d) Appaloosa Management L.P. ("Appaloosa"), as investment manager for several funds that presumably own claims against, or hold equity interests in, the Debtors, filed a reservation of rights (Docket No. 8296) reserves its right to challenge the thresholds (the "Initial Thresholds") for determining which creditors and interest holders are required to file a Notice of Substantial Claim Ownership, set forth in the Disclosure Statement pursuant to the revised Claims Trading Order (Docket No. 7591).

(e) H.G. Plog, an AMR shareholder, submitted a letter objection (Docket No. 8244), arguing (i) that the proposed treatment of Class 5 interest holders is not fair and equitable insofar as such interest holders should, in Mr. Plog's view, receive at

[3] Togut, Segal & Segal LLP, as Committee Co-Counsel, is representing the Committee in connection with the resolution of the Citibank Objection.

least 36% of the equity in New AAG and (ii) that that the Plan's treatment of Class 6 interest holders is unfair.

4. The Committee respectfully submits that the Debtors' proposed amendments satisfy the disclosure concerns raised in the Objections. The Disclosure Statement, as amended by the Debtors, adequately informs creditors and interest holders of the bases and contents of all material aspects of the Plan. Accordingly, any outstanding disclosure-related objections should be overruled.

5. The Objections not resolved by the additional disclosure provided by the Debtors have no relevance to the Disclosure Statement or solicitation procedures and, instead, relate to the confirmation of the Plan. Because none of the Objections demonstrate that the Plan, on its face, cannot be confirmed, all confirmation issues should be addressed at the confirmation hearing. Although bankruptcy courts may consider substantive objections to a plan at a disclosure statement hearing, this discretion is to be exercised sparingly and only when it is patently obvious, purely as a matter of law and based solely on the contents of the plan, that the plan cannot possibly be confirmed. See, e.g., In re Copy Crafters Quickprint, Inc., 92 B.R. 973, 980 (Bankr. N.D.N.Y. 1988) ("[C]are must be taken to ensure that the hearing on the disclosure statement does not turn into a confirmation hearing, due process considerations are protected and objections are restricted to those defects that could not be cured by voting and where the pertinent material facts are either not at issue or have been fully developed at the disclosure statement hearing."); In re Featherworks Corp., 45 B.R. 455, 457 (Bankr. E.D.N.Y. 1984) (same). Simply put, none of the Objections raise any issue that would support a finding by the Court that the hard work of the Debtors, the Committee, the Ad Hoc Committee, and many others should be overridden and that it is impossible for the proposed Plan to be confirmed as a matter of law. Moreover, even if these Objections were ripe for adjudication, they are meritless.

6. The Debtors have requested that the Committee submit a letter containing its recommendation regarding the Debtors' Plan to be included in the Notice Packages. (Disclosure Statement Motion ¶ 26.) Attached hereto as Exhibit A is the form of the recommendation letter (the "Letter"), which the Committee may modify to reflect changes to the Disclosure Statement and Plan and based on any subsequent material developments that may occur prior to the mailing of the Notice Packages. The Letter briefly describes the negotiations surrounding the terms of the Plan, directs general unsecured creditors' attention to certain provisions of the Disclosure Statement and Plan for their review and consideration prior to voting, and encourages general unsecured creditors to vote in favor of the Debtors' Plan.

Background

A. The Chapter 11 Filings

7. On November 29, 2011 (the "Petition Date"), each of the Debtors filed with this Court voluntary petitions for relief under the Bankruptcy Code. The Debtors, together with their non-Debtor affiliates, form one of the largest global airlines based in the United States. The Debtors continue to operate their respective businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. On December 5, 2011, the U.S. Trustee appointed the Committee, which consists of nine members (each a "Member").[4]

[4] The Committee comprises the Allied Pilots Association (the "APA"), the Association of Professional Flight Attendants (the "APFA"), Bank of New York Mellon ("BNYM"), Boeing Capital Corporation, Hewlett Packard Enterprise Services, LLC ("Hewlett-Packard"), Manufacturers and Traders Trust Company ("M&T Bank"), the Pension Benefit Guaranty Corporation ("PBGC"), the Transportation Workers Union of America (the "TWU"), and the Wilmington Trust Company ("Wilmington Trust").

B. The Debtors' and the Committee's Collaborative Evaluation of Strategic Alternatives and the Execution of the Merger Agreement

9. Throughout these cases, the Committee and the Debtors have worked in close collaboration to evaluate the Debtors' restructuring alternatives and formulate a consensual plan of reorganization that delivers superior value to economic stakeholders. These efforts included, among other things: (i) the evaluation of restructuring alternatives, ultimately culminating in the execution of a definitive merger agreement between the Debtors and US Airways; and (ii) the negotiation of the Plan, the 9019 Settlement, the memoranda of understanding between the Debtors, US Airways, and their respective labor organizations (the "MOUs"), and the employee arrangements, all of which are predicated on the Merger.

10. Last summer, the Debtors and the Committee commenced "fair, balanced, and transparent strategic alternatives assessment" governed by a formal written protocol. (Joint Motion of Debtors and Official Committee of Unsecured Creditors Pursuant to 11 U.S.C. § 1121(d) to Extend Exclusivity Periods to December 28, 2012 and February 28, 2013, Respectively ¶ 8, In re AMR Corp., Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. July 3, 2012) (Docket No. 3440).) The aim of the strategic alternatives exploration process was to compare the Debtors' stand-alone business plan against a consolidation transaction with another airline. During the process, the Debtors, the Committee, and their respective advisors assessed a number of potential transactions and concluded that a combination with US Airways could generate significant incremental value for the Debtors' estates. Thus, in August 2012, the Debtors and US Airways commenced formal negotiations and information sharing toward a potential merger. The Committee provided extensive input to both parties throughout the negotiations.

11. On February 14, 2013, the Debtors and US Airways announced the execution of a definitive Merger Agreement. On April 11, 2013, this Court entered a Memorandum of Decision approving the Merger Agreement, noting that the Merger "has the overwhelming support of the

UCC, the Consenting Creditors, the Ad Hoc Committee and the Debtors' labor unions." See Memorandum of Decision at 6, In re AMR Corp., Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Apr. 11, 2013) (hereinafter, "Merger Decision"); see also Order, In re AMR Corp., Case No. 11-15463 (Bankr. S.D.N.Y. May 10, 2013) (Docket No. 8096) (hereinafter, "Merger Order"). Pursuant to the Merger Agreement, 72% of the equity of the merged entity, New AAG, will be distributed to the Debtors' economic stakeholders. At the current trading price for US Airways's common stock, this consideration is sufficient to provide full recoveries for general unsecured creditors and a significant distribution to equity interest holders, including a guaranteed initial distribution of approximately $466 million, and, assuming this trading price is maintained during the 120 days following the Effective Date, total distributions of $1.878 billion to holders of AMR Equity Interests.[5]

C. The Plan and Other Agreements

12. To maximize business enterprise value for the Debtors' estates, which the Committee believes will occur only through an expeditious consummation of the Merger, the Debtors, the Committee, and other stakeholders engaged in intensive negotiations to resolve a host of issues connected to the Merger, including merger consideration, labor integration issues, employee compensation issues, transition issues, and the terms of a plan of reorganization embodying the Merger.

13. Labor Transition Agreements. To mitigate contingencies associated with the integration of both companies' workforces, the Committee's professionals engaged with both the Debtors' labor organizations and the pilots union for US Airways concerning the employment

[5] Calculated using US Airways's common stock closing price of $17.83 as of May 29, 2013, held constant throughout the distribution period. These equity recoveries further assume Allowed Double-Dip General Unsecured Claims of approximately $2.938 billion and Allowed Single-Dip General Unsecured Claims of approximately $2.63 billion.

terms that will prevail upon consummation of the Merger. These discussions culminated in the MOUs and other labor transition agreements between the two companies and their mainline labor organizations. The Debtors' motion to approve these MOUs (Docket No. 8095) was granted at the May 30, 2013 omnibus hearing.

14. Merger-Transition Compensation Programs. The Committee also negotiated with the Debtors, US Airways, and other stakeholders on a host of merger-transition compensation programs for the Debtors' employees, all of which should assist with the timely and successful implementation of the Merger. These programs were developed with an eye towards the real-world necessity of achieving reasonable movement towards parity of compensation among the employees of the two airlines. The Court has already approved substantially all of the merger-transition compensation programs. See Merger Order ¶ 5. As described in greater detail below, the Debtors intend to seek approval of the one remaining item—the Chairman Letter Agreement—under the Plan. The Chairman Letter Agreement, like the programs the Court has already approved, is an integral element of the consensus reflected in the Plan.

15. The Support Agreement. To ensure timely support for the Merger, the Debtors, the Committee, and the Ad Hoc Committee negotiated regarding the terms and conditions of the Support and Settlement Agreement (Docket No. 8154) (the "Support Agreement"). Among other things, the Support Agreement reflects the Debtors' agreement to:

- Pay the reasonable professional fees and expenses incurred by the Ad Hoc Committee and certain Consenting Creditors, subject to certain caps**;** and
- Propose a plan of reorganization substantively consistent with a term sheet, attached as Exhibit A to the Support Agreement, which outlines a distribution mechanism for all claims and interests under a plan of reorganization, including an initial distribution of 3.5% of the common stock of the new combined company to holders of existing equity interests in AMR.

The Support Agreement provides that, in connection with their support for a plan of reorganization implementing the Merger, certain members of the Ad Hoc Committee and other

creditors holding approximately $1.6 billion in prepetition general unsecured claims against the Debtors (collectively, the "Consenting Creditors") will support such a plan of reorganization. The Debtors' motion to approve the Support Agreement (Docket No. 8154) is currently pending. Importantly, however, while the Support Agreement obligates the Consenting Creditors to support a conforming plan of reorganization, it is not itself a plan. Thus, approval of the Support Agreement will not constitute approval of the 9019 Settlement. Rather, the Plan itself constitutes a motion to approve the 9019 Settlement, and, thus, approval of such settlement is subject to a vote of creditors and interest holders.

16. The Plan and 9019 Settlement. The foregoing agreements and arrangements provide the foundation for the Debtors' proposed Plan. The Plan incorporates extensive input from the Committee, the Ad Hoc Committee, and US Airways and is consistent with the Merger Agreement and the Support Agreement. As noted above, the Plan incorporates the global 9019 Settlement of myriad issues relating to the distribution of proceeds to creditors and interest holders, as reflected in the Support Agreement. Among other matters, the 9019 Settlement resolves the treatment of Double-Dip, Single-Dip, and Intercompany Claims through a distribution mechanism that distributes the consolidated proceeds of the Debtors' estates to creditors and interest holders based on the trading price of New AAG common stock at specific measurement points during the 120 days following the Effective Date of the Plan. The 9019 Settlement facilitates the timely consummation of the Merger and mitigates the risk and uncertainty associated with litigation of the validity of the Intercompany Claims—including the risk that such litigation would almost certainly delay or even preclude consummation of the Merger, since the litigation would likely not be resolved by December 13, 2013, the Termination Date under the Merger Agreement. By pegging distributions to the trading price of New AAG common stock, the Plan ensures that distributions correlate with the market value of New AAG,

thereby avoiding disruptive valuation disputes and instead relying on a real-market test set forth in the Plan rather than speculative expert opinion.

17. Accordingly, the Committee submits that the Plan comprises a series of integrally related agreements and compromises related to the Merger and reflects the consensus view of the Debtors, US Airways, the Committee, the Consenting Creditors, the Debtors' labor organizations, and certain other key economic stakeholders. As described above, this consensus is the product of challenging and multifaceted negotiations among numerous parties over many months. Accordingly, the Committee cautions that the compromises and agreements reflected in the Plan, the Merger Agreement, the MOUs, and the various other agreements described above and in greater detail in the Disclosure Statement are highly interdependent and that efforts to materially restructure the individual elements of the agreement would have significant collateral consequences for the viability of the Merger and Plan.

Argument

I. The Disclosure Statement Contains Adequate Information under Section 1125(a)

18. Approval of a disclosure statement is warranted if the disclosure statement contains "information of a kind . . . that would enable [a hypothetical investor typical of the holders of claims or interests in the case] to make an informed judgment about the plan." 11 U.S.C. § 1125(a)(1). Said differently, "[t]he purpose of the disclosure statement is . . . to provide enough information to interested persons so they may make an informed choice between two alternatives." In re U.S. Brass Corp., 194 B.R. 420, 423 (Bankr. E.D. Tex. 1996) (citing In re Stanley Hotel, Inc., 13 B.R. 926, 930 (Bankr. D. Colo. 1981)). Whether a disclosure statement meets this requirement involves a "subjective" determination "made on a case by case basis." In re WorldCom, Inc., No. M-47 (HB), 2003 U.S. Dist. LEXIS 11160, at *30 (S.D.N.Y. June 30, 2003) (citing Tex. Extrusion Corp. v. Lockheed Corp. (In re Tex. Extrusion Corp.), 844 F.2d

1142, 1157 (5th Cir. 1988)). Here, the Disclosure Statement was prepared with extensive Committee input, and the Committee believes it contains fulsome information on all material elements of the Plan. Moreover, the Debtors have agreed to amend the Disclosure Statement to satisfy the concerns of several objecting parties. The Committee has reviewed and concurs with the Debtors proposed amendments. Accordingly, even if the Disclosure Statement was inadequate as originally filed, the Committee submits that, with these amendments, it certainly complies with section 1125(a).

19. Several parties assert limited objections to the adequacy of the disclosure on certain elements of the Plan. These limited objections generally relate to four aspects of the Plan: (i) the treatment of certain secured claims; (ii) the 9019 Settlement, the proposed substantive consolidation of the Debtors' estates for distribution purposes, and the Plan's compliance with the absolute priority rule; (iii) employee arrangements; and (iv) several miscellaneous matters.

A. Treatment of Secured Claims

20. U.S. Bank asserts that the Disclosure Statement is deficient in its discussion of certain secured claims. U.S. Bank, in its capacity as trustee for various issuances of secured debt, asks that the Disclosure Statement include supplemental disclosures regarding the treatment of certain Secured Aircraft Claims and claims related to the 7.5% Senior Secured Notes. The Debtors' amendments specify the classification and treatment of these claims with greater precision. In addition, with respect to those Secured Aircraft Claims which are subject to the "make-whole" dispute currently pending in the Second Circuit, the Debtors will amend the Disclosure Statement to describe how such claims will be satisfied should U.S. Bank prevail on appeal.

B. The 9019 Settlement, Substantive Consolidation, and the Absolute Priority Rule

21. As noted above, the 9019 Settlement (including the limited substantive consolidation of the Debtors' estates for distribution purposes) is an indispensable element of the Plan. Accordingly, the 9019 Settlement and the proposed limited substantive consolidation are the subject of extensive discussion in the Disclosure Statement. See, e.g., Disclosure Statement §§ I.C.2, I.D., IV.F.3, IV.F.5. The Committee believes that these disclosures provide stakeholders ample information on the terms of, and legal and business justifications for, the 9019 Settlement and the limited substantive consolidation of the Debtors.

22. Nonetheless, in response to objections to U.S. Bank and the U.S. Trustee, the Debtors have agreed to amend the Disclosure Statement to provide additional disclosure on these topics. Among other things, the Debtors will furnish a schedule of the principal Intercompany Claims settled under the 9019 Settlement. In addition, the Debtors' amended disclosures will clarify that the substantive consolidation proposed by the Plan would result in the consolidation of the Debtor entities within each "node" (e.g., the AMR Debtors, the American Debtors, and the Eagle Debtors), but would not result in the substantive consolidation of the three nodes.

C. Employee Arrangements

23. The U.S. Trustee asks that the Disclosure Statement include additional information regarding the Chairman Letter Agreement, the Debtors' proposed severance agreements with certain other named executive officers, and certain other employee compensation and benefits issues. But the U.S. Trustee—on the record at the hearing to approve the Merger Agreement—expressly waived its objections to all aspects of the employee Merger-transition employee arrangements other than the Chairman Letter Agreement, and the Court has already approved those programs. See Merger Decision at 10-11 (noting that "the sole remaining UST objection was to the CEO severance payment"). Consequently, even assuming that the U.S.

Trustee's Objection is a good-faith request for additional disclosure, the U.S. Trustee's ill-considered attempt to relitigate these programs should be given no weight.

D. Other Concerns Raised by the U.S. Trustee

24. The U.S. Trustee raises two additional disclosure-related concerns: (i) the basis for the Plan's exculpation and release clauses and (ii) the obligation of each of the Debtors to pay U.S. Trustee fees through the entry of a final decree and order closing the chapter 11 cases or the dismissal or conversion of the cases. With respect to the exculpation and release clauses, the Committee believes that the Plan's exculpation is quite limited and reasonable in form and scope. Contrary to the U.S. Trustee's assertion, see U.S. Trustee Objection at 23, the Plan does not contain non-Debtor, third-party releases—even though such releases are permissible in the Second Circuit. See Deutsche Bank AG v. Metromedia Fiber Network, Inc., (In re Metromedia Fiber Network, Inc.), 416 F.3d 136, 142-43 (2d Cir. 2005). Indeed, the U.S. Trustee's Objection is somewhat surprising in this regard, as the Plan is virtually unprecedented among large chapter 11 cases in this district in foregoing such third-party releases. The Plan does exculpate the Debtors, US Airways, the official committees, and certain other parties instrumental to the administration of these cases and negotiation of the Plan for liability associated with the chapter 11 cases and the prosecution of the Plan, but exculpation clauses of this nature are standard in large chapter 11 cases. Thus, the Committee agrees with the Debtors that additional disclosure on this point is not required.

25. Finally, the Debtors will include additional disclosure in response to the U.S. Trustee's request for an explicit statement concerning U.S. Trustee fee obligations.

II. Plan Confirmation Objections Should be Overruled

26. Parties objecting to the confirmability of a proposed plan at the disclosure statement hearing bear a heavy burden. Such objections will be sustained only if the plan "is so

fatally flawed that confirmation is impossible." In re Cardinal Congregate I, 121 B.R. 760, 764 (Bankr. S.D. Ohio 1990) (citing In re Monroe Well Serv., 80 B.R. 324, 333 (Bankr. E.D. Pa. 1987)). "[So] as not to convert the disclosure statement hearing into a hearing on confirmation," Monroe Well Serv., 80 B.R. at 333, plan-related objections will be considered at the disclosure statement hearing only if they demonstrate that the plan is patently or facially unconfirmable. See In re Dakota Rail, Inc., 104 B.R. 138, 143 (Bankr. D. Minn. 1989). Several parties, including the U.S. Trustee, U.S. Bank, and H.G. Plog, have asserted objections to confirmation, but each of these Objections falls stunningly short of demonstrating a "patent" or "facial" obstacle to confirmation.

A. The U.S. Trustee Objection

27. The U.S. Trustee asserts substantive objections to three aspects of the Plan: (i) the reimbursement of professional fees and expenses incurred by Indenture Trustees, (ii) the reimbursement of professional fees incurred by individual Members of the Committee, and (iii) the approval of the Chairman Letter Agreement. In each case, U.S. Trustee's position is wrong on merits and, in any case, is premature at the stage.

(i) Indenture Trustee Fees and Expenses

28. The U.S. Trustee challenges sections 2.4 of the Plan on the ground that it accords administrative expense treatment to professional fees incurred by certain Indenture Trustees without demonstrating that the Indenture Trustees made a "substantial contribution," as required by section 503(b)(3)(D). In this case, however, the reimbursement of the Indenture Trustees' fees and expenses is not sought pursuant to section 503(b)(3)(D) but pursuant to the global settlement reflected in the Plan. Case law in this district confirms that a plan may authorize the reimbursement of creditors' reasonable fees and expenses as part of a comprehensive settlement, even if the requirements of section 503(b) are not satisfied. See In re Adelphia Commc'ns Corp.,

441 B.R. 6, 19 (Bankr. S.D.N.Y. 2010) ("[T]he Code permits the [certain creditors'] reasonable fees to be recovered under [the plan] without showing compliance with sections 503(b)(3) or (4)."). Indeed, payment of the reasonable fees and expenses of indenture trustees is a common feature of plans in this district. See, e.g., Modified Third Amended Joint Chapter 11 Plan of Reorganization of Lehman Brothers Holdings Inc. and its Affiliated Debtors § 6.7, In re Lehman Bros. Holdings Inc., Case No. 08-13555 (JPM) (Bankr. S.D.N.Y. Dec. 5, 2011) (Docket No. 22973); Debtors' Second Amended Joint Chapter 11 Plan § 2.5, In re Motors Liquidation Co., Case No. 09-50026 (REG) (Bankr. S.D.N.Y. Mar. 18, 2011) (Docket No. 9836); Debtors' Modified Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code § 6.18, In re WorldCom, Inc., Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Oct. 21. 2003). Moreover, the Indenture Trustees' reasonable fees and expenses are, in any event, chargeable to creditor recoveries under the terms of the various Indentures. Thus, section 2.4 of the Plan merely provides that the Indenture Trustees' rights under the Indentures will not be deducted from creditors' recoveries. Because section 2.4 of the Plan is consistent both with case law and common practice in this district, the U.S. Trustee's objection falls far short of demonstrating a that this provision renders the Plan patently unconfirmable. Cf. In re Sunshine Precious Metals, Inc., 142 B.R. 918, 920 (Bankr. D. Idaho 1992) (objections to the substance of a plan are cognizable at the disclosure statement stage only if they demonstrate that the plan "is not confirmable . . . as a matter of law"). Thus, the U.S. Trustee's objection is premature, misplaced, and should be overruled.

(ii) Committee Members' Professional Fees

29. The U.S. Trustee also objects to section 6.23 of the Plan to the extent it treats the reasonable professional fees of individual Members of the Committee as Allowed Administrative Expenses payable by the Reorganized Debtors. As an initial matter, the U.S. Trustee's objection

is a premature confirmation objection. Indeed, the U.S. Trustee acknowledges that the weight of authority in this district supports the Plan provision at issue. See U.S. Trustee Objection at 12 (citing In re Lehman Bros. Holdings Inc., 487 B.R. 181 (Bankr. S.D.N.Y. 2013); In re Adelphia Commc'ns Corp., 441 B.R. 6 (Bankr. S.D.N.Y. 2010)). At the very least, these cases establish that section 6.23 cannot, as a matter of law, render the Plan patently unconfirmable. Thus, the U.S. Trustee has not met the heavy burden imposed on parties asserting confirmation-related objections at the disclosure statement hearing.

30. But even if the U.S. Trustee's objection were ripe for adjudication, it would fail. The U.S. Trustee correctly notes that sections 503(b)(3) and 503(b)(4) authorize individual creditors' committee members to claim administrative expense treatment of out-of-pocket expenses but not professional fees, see 11 U.S.C. §§ 503(b)(3)-(4), but wrongly assumes that, if such fees are not authorized by section 503(b), they are not authorized anywhere in the Code. Judge Peck's opinion in Lehman Brothers and Judge Gerber's opinion in Adelphia persuasively demonstrate that this assumption is unfounded. See Lehman Bros., 487 B.R. at 185-87; Adelphia, 441 B.R. at 19. As Judge Peck observed, "Section 503(b)(4) is silent on the subject and simply fails to mention payment of such fees." Lehman Bros., 487 B.R. at 192. Because section 503(b)(4) is merely silent on, and does not prohibit, the payment of individual members' fees, such fees are permissible if they are justified by another provision of the Code.

31. Here, as in both Lehman and Adelphia, the fee reimbursement provision is justified by section 1129(a)(4), which permits payments under a plan of "costs and expenses" related to the case, so long as the court finds them reasonable. 11 U.S.C. § 1129(a)(4). As Lehman and Adelphia explain, the liberal standard embodied in section 1129(a)(4) reflects the fact that plan payments are subject to the safeguards inherent in the plan voting and confirmation process, whereas the more exacting standard imposed under section 503(b) reflects the fact that

the allowance of administrative expenses outside the plan is "nonconsensual in nature." Lehman Bros., 487 B.R. at 192 (quoting Adelphia, 441 B.R. at 12). In short, the differential treatment accorded to professional fee claims under sections 503(b) and 1129(a)(4) tracks a significant policy distinction between consensual and non-consensual fee requests, making the U.S. Trustee's reliance on 503(b) inappropriate in this context.

32. The U.S. Trustee wrongly asserts that RadLAX Gateway Hotel, LLC v. Amalgamated Bank, 132 S. Ct. 2065 (2012) implicitly overrules the holding of Lehman and Adelphia.[6] See United States Trustee Objection at 15. This argument can only be taken seriously if one pretends that the basis of the Court's decision in Radlax—the invocation of the specific-controls-the-general canon of statutory construction—was unknown to Judge Peck and Judge Gerber when they decided Lehman and Adelphia, respectively. But this canon is hardly a recent invention. See United States v. Chase, 135 U.S. 255, 260 (1890) (describing the canon as "an old and familiar rule"). Because the canon long predates RadLAX itself, the U.S. Trustee's suggestion that RadLAX implicitly overrules Adelphia (which predates RadLAX) and Lehman (which does not discuss it) is unfounded. Moreover, RadLAX itself cautions that "the general/specific canon is not an absolute rule, but is merely a strong indication of statutory meaning that can be overcome by textual indications that point in the other direction." 132 S. Ct. at 2072. Indeed, Sutherland instructs that the general/specific canon is a last resort. "Where one

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[6] In RadLAX, the Supreme Court considered whether a debtor may forbid secured creditors to credit bid and subsequently cram down such secured creditors by providing them the "indubitable equivalent of [their] claims" under section 1129(b)(2)(A)(iii). The "indubitable equivalent" standard defines one of three alternative means of cramming down secured creditors under section 1129(b)(2)(A). One of the other alternatives, however, is to sell the collateral free and clear of liens under section 363(k), while providing replacement liens on the proceeds of the sale. See 11 U.S.C. § 1129(b)(2)(A)(ii). Section 363(k), in turn, preserves a secured creditor's right to credit bid if the debtor seeks to sell encumbered property free and clear. Id. § 363(k). The RadLAX Court held that a debtor cannot circumvent secured creditors' right to credit bid by relying on the more general "indubitable equivalent" standard. 132 S. Ct. at 2072. The contrary view, the Court said, is "hyperliteral" and runs afoul of the canon that the specific controls the general. Id. at 2070. Because section 1129(b)(2)(A)(ii) speaks specifically to cram-down in the context of a section 363(k) sale, its requirements prevail over the more general "indubitable equivalent" standard in section 1129(b)(2)(A)(iii). Id. at 2071-72.

statute deals with a subject in general terms and another deals with a part of the same subject in a more detailed way, the two should be harmonized if possible." Norman J. Singer and J.D. Shambie Singer, Sutherland Statutes and Statutory Construction § 51:5 (7th ed. 2012) (emphasis added). As explained above, Adelphia and Lehman persuasively harmonize sections 503(b) and 1129(a)(4) by identifying the circumstances in which each is applicable. Accordingly, RadLAX does not overrule the precedent in this district and suggests no reason why this Court should depart from prior precedent.

(iii) The Chairman Letter Agreement

33. The U.S. Trustee's objection to the Chairman Letter Agreement should also be overruled. This objection, like the objection to sections 2.4 and 6.23 of the Plan, is both premature and meritless. Precedent in this district establishes that section 503(c) is a limitation on the allowance of administrative expenses against the estate and therefore does not apply to post-effective date payments, such as those contemplated by the Chairman Letter Agreement. See, e.g., In re Journal Register Co., 407 B.R. 520, 535 & n.8, 536 (Bankr. S.D.N.Y. 2009) ("[S]ubsection 503(c) applies only when the proposed bonuses are to be paid as administrative expenses of the bankruptcy estate [and] . . . courts generally deny administrative claim status to expenses that become payable upon confirmation of a chapter 11 plan and not before."); In re Dana Corp., 358 B.R. 567, 578 (Bankr. S.D.N.Y. 2006) ("[T]he language of section 503(c) is clear and unambiguous that only administrative claims are subject to section 503(c) restrictions."). But see In re TCI 2 Holdings, LLC, 428 B.R. 117, 172-73 (Bankr. D.N.J. 2010) (accepting the U.S. Trustee's argument that post-confirmation severance payments implicate section 503(c)(2)). These cases demonstrate, at the very least, that section 6.24 does not render the Plan patently unconfirmable. Thus, the U.S. Trustee's objection is premature.

34. Even if the U.S. Trustee's objection was cognizable at this stage, the U.S. Trustee has not identified any sound reasons why this Court should depart from Journal Register and Dana. Those decisions are firmly rooted in the plain language of section 503. Section 503(c) refers back to section 503(b), which regulates the allowance of administrative expense claims, making it clear "allowed" in section 503(c) means allowed as an administrative expense. Section 6.24 seeks approve of the Chairman Letter Agreement "in connection with confirmation of the Plan" so as "to be effective on the Effective Date." Plan § 6.24. Section 6.24 does not, however, create an Allowed Administrative Expense Claim in favor of Mr. Horton. Because the Chairman Letter Agreement does not implicate section 503(c) at all, the U.S. Trustee's reliance on RadLAX to argue that section 503(c) takes precedence over section 1129(a)(4) is both incorrect—for the same reasons section 503(b) does not take precedence over section 1129(a)(4)—and beside the point.

35. Despite the inapplicability of section 503(c), approval of the Chairman Letter Agreement remains subject to all the protections inherent in the plan confirmation process, including this Court's review under section 1129(a)(4) and, most importantly, the right of creditors and interest holders to vote on the Plan. As discussed above, the employee compensation arrangements, including the Chairman Letter Agreement, are integrally related to the other elements of the business deal underlying the Plan and Merger. The Chairman Letter Agreement encompasses the CEO's compensation for a number of items relating to the Merger, including emergence compensation for the Debtors' restructuring while in chapter 11, a premium for serving as Chairman of the Board of Directors of New AAG, and any other stock awards or further executive compensation. Because the Chairman Letter Agreement is intertwined with other aspects of the Plan and the Merger, the consideration of the Chairman Letter Agreement as part of the plan process, and subject to the standards governing plan confirmation (including

section 1129(a)(4)), is particularly appropriate in this case. Thus, the Committee urges the Court to overrule the U.S. Trustee objection to the Chairman Letter Agreement.

B. The Plog Objection

36. AMR shareholder H.G. Plog objects to the Plan's treatment of Class 5 (AMR Equity Interests) and Class 6 (AMR Other Equity Interests). Specifically, Mr. Plog appears to argue (i) that the Plan allocates 50% of New AAG equity to holders of Class 6 equity interests and (ii) that the Plan unfairly discriminates against holders of Class 5 equity interests by guaranteeing them only 3.5% of New AAG common stock. As to the first point, Mr. Plog's objection appears to rest on the misconception that Class 6 comprises employee-owned equity interests. As the Disclosure Statement explains, AMR Other Equity Interests consist of equity interests held by one of the Debtors. See Disclosure Statement § IV.B.1(f). The Plan provides that AMR Other Equity Interests will be reinstated, the practical effect of which is to preserve prepetition parent-subsidiary relationships between the Debtors. See Disclosure Statement § IV.F.18. The reinstatement of these interests does not imply that their holders will receive common stock in New AAG. As to the second point, there is no basis in the Bankruptcy Code for Mr. Plog's contention that AMR equity holders should receive 36% of the common stock of New AAG—that is, half of the consideration awarded to AMR stakeholders under the Merger Agreement. In any event, Mr. Plog's objection is premature at this stage and should be overruled.

C. U.S. Bank Objections

37. U.S. Bank, in its capacity as trustee for various secured debt issuances, contests the confirmability of the Plan on several grounds. Specifically, U.S. Bank argues (i) that section 6.14 of the Plan would inadvertently permit the cancellation of certain Aircraft Securities as to which there are obligations between non-related third parties; (ii) that the Plan wrongly classifies Secured Aircraft Claims as unimpaired even though certain potential means of satisfying such

claims would result in impairment; (iii) that section 4.7 of the Plan is inconsistent with certain trustees' rights under section 1110 of the Code; and (iv) that the Plan is unfair and unjust because its exculpation provisions extend to certain Indenture Trustees but not others. The Committee believes that U.S. Bank's concerns are either resolved by the Debtors' amendments to the Disclosure Statement or are confirmation objections that should be deferred until the confirmation hearing.

III. Other Objections and Reservations of Rights

38. Several other parties have raised technical concerns regarding various aspects of the Disclosure Statement or have asserted reservations of rights with respect to issues that are tangential to the approval of the Disclosure Statement. U.S. Bank has identified technical problems with sections 5.2(a) and 5.4(c) of the Plan, which generally relate to the role of Servicers under certain secured debt issuances. The Debtors' proposed amendments address these purported deficiencies.

39. Appaloosa reserves its right to challenge the Initial Thresholds for determining which creditors and interests holders are required to file a Notice of Substantial Claim Ownership pursuant to the revised Claims Trading Order. Appaloosa does not, however, oppose approval of the Disclosure Statement, and its concerns regarding the Initial Thresholds can be addressed at the appropriate time. Accordingly, these responses present no obstacle to this Court's approval of the Disclosure Statement.

Conclusion

40. For the foregoing reasons, the Committee believes that the Disclosure Statement contains adequate information as required by section 1125(a) of the Code. Accordingly, the Motions should be granted and all outstanding Objections overruled.

Dated: New York, New York
May 31, 2013

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

By: */s/ John Wm. Butler, Jr.*
Jay M. Goffman
Four Times Square
New York, New York 10036
(212) 735-3000

- and -

155 North Wacker Drive
Chicago, Illinois 60606
(312) 407-0700
John Wm. Butler, Jr.
Albert L. Hogan, III
John K. Lyons
Felicia Gerber Perlman

Attorneys for the Official Committee of Unsecured Creditors

Exhibit A

LETTER FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF AMR CORPORATION, ET AL., CASE NO. 11-15463 (SHL), JOINTLY ADMINISTERED

TO: The General Unsecured Creditors of AMR Corporation and Its Debtor Subsidiaries

The Official Committee of Unsecured Creditors (the "Creditors' Committee") of AMR Corporation and its affiliated debtors and debtors in possession (the "Debtors"), as a statutory fiduciary representing the interests of general unsecured creditors in the Debtors' chapter 11 cases, writes this letter to general unsecured creditors in connection with the solicitation of your vote as the holder of a General Unsecured Claim entitled to vote on the Debtors' Joint Chapter 11 Plan (the "Plan").[1]

FOR THE REASONS SET FORTH BELOW, THE CREDITORS' COMMITTEE RECOMMENDS THAT YOU ACCEPT THE PLAN AND RETURN YOUR BALLOT INDICATING YOUR ACCEPTANCE IN ACCORDANCE WITH THE VOTING INSTRUCTIONS SET FORTH ON THE BALLOT.

The Creditors' Committee has worked closely and collaboratively with the Debtors throughout these chapter 11 cases to systematically evaluate the Debtors' restructuring alternatives, identify a path for emergence that maximizes the value of the Debtors' enterprise, and craft a confirmable plan of reorganization that enjoys the strong support of general unsecured creditors and other economic stakeholders. The Committee believes that the Debtors' Plan is consistent with these goals.

The Plan will be implemented and become effective in conjunction with the consummation of a Merger with US Airways Group, Inc. ("US Airways")—which will combine American's and US Airways's complementary networks, increasing convenience and efficiency and providing more options for customers, as well as facilitating the Debtors' transformation into a profitable and sustainable global airline. Indeed, the recoveries for the Debtors' economic stakeholders under the Plan are unprecedented in cases of this nature. The Plan will implement the only available transaction that the Creditors' Committee believes will provide the level of recoveries projected for general unsecured creditors and a guaranteed recovery for AMR shareholders. The Plan provides a mechanism for each general unsecured creditor (subject to certain exceptions) to receive a distribution based on the trading prices of the common stock of American Airlines Group Inc. ("New AAG") on and after the Effective Date of the Plan.

[1] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

A Search Committee, comprised of certain members of the Creditors' Committee and certain other creditors, was formed shortly after the Merger was announced. The Merger Agreement provides that five of the 12 members of the board of directors of New AAG—including the lead independent director—will be designated by the Search Committee, and that the two members designated by AMR will be reasonably acceptable to the Search Committee. The Search Committee has been working diligently since that time, with the expectation that the members of the board of directors of New AAG will be announced prior to the Voting Deadline.

As described throughout the disclosure statement for the Plan (the "Disclosure Statement"), the Plan incorporates, among other things, the terms of a global settlement (the "9019 Settlement") reached contemporaneous with the execution of the Merger Agreement among the Debtors and certain unsecured bondholders. The 9019 Settlement timely resolves highly complex and disputed factual and legal issues, including: the validity, enforceability, and priority of the Intercompany Claims; the rights of parties holding guarantees against any Debtor; and the potential marshaling of claims in determining creditors' relative entitlements to distributions under a plan of any Debtor. The Plan is intended to account for the risks, costs, and delays associated with litigating the issues resolved by the 9019 Settlement. Because the Plan provides for distributions based on the 9019 Settlement, depending on the price of the New AAG common stock at each determination date, distributions to holders of Allowed Claims and AMR Equity Interests may not strictly comply with the absolute priority rule in certain scenarios. As set forth in the Disclosure Statement, in certain potential scenarios certain general unsecured creditors may be allocated additional shares in excess of the number of shares required for such creditors to achieve par-plus-accrued recoveries. The Creditors' Committee encourages creditors to carefully review the information set forth on Exhibit B to the Disclosure Statement, which sets forth additional information regarding the distributions contemplated by the Plan. The 9019 Settlement provides for the timely resolution of issues which might otherwise result in contentious and prolonged litigation; the Creditors' Committee believes that the Plan is materially superior to all other practical alternatives and provides the best outcome for general unsecured creditors.

Pursuant to the Plan, holders of AMR Other General Unsecured Claims, American Other General Unsecured Claims, and Eagle General Unsecured Claims (so-called "single-dip claims")—which Claims are not guaranteed by any other Debtor—will receive (i) the remaining New Mandatorily Convertible Preferred Stock and (ii) a right to receive additional shares of New Common Stock on the 120th day following the Effective Date (the "Single-Dip Plan Consideration"). Holders of DFW 1.5x Unsecured Special Facility Revenue Bond Claims (so-called "DFW 1.5x-dip claims") will be entitled to receive Single-Dip Plan Consideration and shall be treated under the Plan as having (i) an Allowed American Other General Unsecured Claim in an amount equal to the par amount of such Claim plus all nondefault rate interest accrued through the Effective Date and (ii) an Allowed American Other General Unsecured Claim on account of the guarantee by American of such Claim in an amount equal 50% of the par amount of such Claim plus all nondefault rate interest accrued through the Effective Date,

provided that such distributions shall not result in more than a single satisfaction of the DFW 1.5x-dip claims.

Holders of AMR General Unsecured Guaranteed Claims and American General Unsecured Guaranteed Claims (so-called "double-dip claims") will initially receive New Mandatorily Convertible Preferred Stock with a face amount equal to the Allowed amount of their Claims (including postpetition interest at the nondefault rate). Please be advised that Article 4.3(b) of the Plan contemplates that, at any time prior to the fifth Business Day before the Effective Date, holders of double-dip claims have the right to make a binding election to have their double-dip claims treated as single-dip claims, in which case such holders of Allowed double-dip claims would receive Single-Dip Plan Consideration.

Holders of Convenience Class Claims, which are General Unsecured Claims (other than Note Claims, Special Facility Revenue Bond Claims, American Union Claims, and Eagle Union Claims) Allowed in an amount less than or equal to $10,000, will be entitled to receive Cash in the amount of 100% of the amount of such holders Allowed Convenience Class Claim as of the Commencement Date.

Shares of New Common Stock also will be distributed to holders of the American Union Claims and certain other non-union employees of the Debtors, with such number of shares equal to 23.6% of the total shares issued to holders of General Unsecured Claims under the Plan. Furthermore, the Plan provides holders of AMR Equity Interests with (i) a guaranteed initial distribution of New Common Stock equal to 3.5% of the common stock of the combined airline and (ii) a right to receive additional shares of New Common Stock on each of the Mandatory Conversion Dates if the price of the New Common Stock exceeds the value at which there would be sufficient New Common Stock distributable to holders of General Unsecured Claims to effectively pay such Claims in full (including postpetition interest).

Please note that the Plan contemplates that the Debtors will file a Plan Supplement with the Bankruptcy Court no later than 10 days prior to the Voting Deadline, and the Creditors' Committee fully reserves all of its rights relating to those yet-to-be-filed documents. In addition, the Plan provides for the continuation of the Creditors' Committee following the Effective Date to, among other things, consult with the Reorganized Debtors regarding the reconciliation and resolution of General Unsecured Claims.

Please be advised that Article X of the Plan contemplates releases and discharges for the Debtors, but does not contain non-Debtor, third-party releases. However, the Plan does exculpate the Debtors, US Airways, the Creditors' Committee (and its professionals), and certain other parties instrumental to the administration of these cases and negotiation of the Plan for liability associated with the chapter 11 cases and the prosecution of the Plan. The Creditors' Committee recommends that, prior to voting on the Plan, each unsecured creditor carefully review the provisions contained in Article X.

Please be further advised that detailed voting instructions are included in the Disclosure Statement and the exhibits attached thereto, and that the Disclosure Statement provides that the Debtors expressly reserve the right to modify the Plan prior to the entry of the Confirmation Order and do not intend to re-solicit acceptances or rejections so long as the holders of Claims in any affected Class receive a recovery having a value equal to the Allowed amount of their Claims. To ensure that all votes are counted, each unsecured creditor entitled to vote on the Plan should carefully review and comply with the voting instructions before voting on the Plan.

The Creditors' Committee considered various restructuring alternatives and weighed the risks and costs associated with the various alternatives. **The Creditors' Committee believes that the Plan provides the best outcome for general unsecured creditors and, therefore, recommends that the Debtors' general unsecured creditors entitled to vote on the Plan vote in favor of the Plan**. Notwithstanding our recommendation, each creditor (including individual members of the Creditors' Committee) must make their own independent determination as to whether the Plan is acceptable to that creditor and should consult their own legal and/or financial advisor(s).

Very Truly Yours,

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF AMR CORPORATION, ET AL.