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

In re: : Chapter 11 Case No.
:
REPUBLIC AIRWAYS HOLDINGS INC., et al., : 16-10429 (SHL)
:
Debtors. : (Jointly Administered)

**LIMITED OBJECTION OF DEUTSCHE BANK AG NEW YORK BRANCH TO
DEBTORS' MOTION PURSUANT TO SECTIONS 105(a) AND 363(b) OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULE 6007 FOR APPROVAL OF
(I) MERGER OF SHUTTLE AMERICA CORPORATION INTO
REPUBLIC AIRLINE INC., AND (II) SURRENDER OF THE
SHUTTLE AMERICA CORPORATION AIR CARRIER CERTIFICATE**

Deutsche Bank AG New York Branch, as agent and lender ("DBNY") under the DBNY Credit Agreement (as defined below), by and through its undersigned counsel, hereby submits this limited objection to the *Debtors' Motion Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6007 for Approval of (I) Merger of Shuttle America Corporation into Republic Airline Inc., and (II) Surrender of the Shuttle America Corporation*

and Air Carrier Certificate [Docket No. 1165] (the “Motion”) and respectfully represent as follows:¹

LIMITED OBJECTION

1. DBNY, as administrative agent and lender, and as letter of credit facility lender, together with certain other lenders, has aggregate claims against Republic Airline Inc. (“Republic”), as borrower, Shuttle America Corporation (“Shuttle”), as guarantor, and Republic Airways Holdings Inc. (“RAH”), as guarantor, totaling at least \$60 million pursuant to that certain Credit and Guarantee Agreement dated as of April 7, 2015 (as the same may have been amended, supplemented, or otherwise modified from time to time, the “DBNY Credit Agreement”).

2. Pursuant to certain security agreements related to the DBNY Credit Agreement (such security agreements, together with the DBNY Credit Agreement, the “DBNY Financing Documents”), DBNY’s claims are secured by, among other things, spare parts owned by Republic Airline and Shuttle. DBNY’s collateral constitutes “equipment” as described in sections 1110(a)(3)(A)(i) and (B) of the Bankruptcy Code. The Debtors agreed to perform all obligations under the DBNY Financing Documents pursuant to section 1110(a) election notices filed on April 24, 2016. See Notice of Election Pursuant to 11 U.S.C. §1110(a) with respect to Spare Parts Collateral [ECF No. 437].

3. DBNY does not oppose the Court authorizing the Debtors to take the necessary steps to implement the Merger and consolidate the Debtors’ flying operations under a single Federal Aviation Administration-issued Air Carrier Certificate. However, DBNY objects to the Motion to the extent that the relief requested (as reflected in the Proposed Order) could be

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

construed to operate as a waiver of DBNY's contractual rights and protections under the DBNY Financing Documents.

4. Paragraph 2 of the Proposed Order authorizes the Debtors to effect the Merger. Paragraph 6 provides that if any person or entity, such as DBNY, does not timely object to the Motion, such failure to object is deemed to be its consent to the requested relief. Pursuant to the DBNY Financing Documents, the Debtors have promised not to merge without satisfying certain conditions. As of the date hereof, such conditions are not satisfied and DBNY, as agent, has not agreed to waive the requirement that the Debtors satisfy such conditions.

5. Therefore, DBNY requests that any order entered make clear that the relief granted thereby does not affect, or create a waiver of, the rights or remedies of DBNY under the DBNY Financing Documents or under section 1110 of the Bankruptcy Code, including with respect to the Merger.

CONCLUSION

WHEREFORE, DBNY respectfully requests that any order this Court enters clarify that DBNY does not waive and has not waived its contractual rights or rights and protections under section 1110 of the Bankruptcy Code.

Dated: New York, New York
November 21, 2016

Respectfully submitted,

By: /s/ Scott Greissman

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