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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
Case No. 11-15463 (SHL)

- - - - -x

In the Matter of:

AMR CORPORATION, et al.,

Debtors.

- - - - -x

United States Bankruptcy Court  
One Bowling Green  
New York, New York

December 13, 2011  
2:13 PM

B E F O R E:  
HON. SEAN H. LANE  
U.S. BANKRUPTCY JUDGE

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Doc. #13 Motion to Approve - Motion of Debtors for Entry of  
Order Pursuant to 11 U.S.C. Sections 105 and 546(c)  
Establishing and Implementing Exclusive and Global Procedures  
for Treatment of Reclamation Claims

Doc. #15 Motion to Allow - Motion of Debtors for Entry of Order  
Pursuant to 11 U.S.C. Section 105(a) for Establishment of  
Procedures for Treatment of Claims Pursuant to Perishable  
Agricultural Commodities Act

Doc. #14 Motion to Allow - Motion of Debtors for Entry of Order  
Pursuant to 11 U.S.C. Sections 105(a) and 503(b) (9)  
Establishing Procedures for the Assertion, Resolution, and  
Satisfaction of Claims Asserted Pursuant to 11 U.S.C. Section  
503(b) (9)

Transcribed by: Penina Wolicki

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A P P E A R A N C E S :

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CARL TULLSON, ESQ. (TELEPHONICALLY)

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U.S. DEPARTMENT OF JUSTICE

Office of the U.S. Trustee

33 Whitehall Street

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BY: MALANI CADEMARTORI, ESQ.

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ALSO PRESENT: (TELEPHONICALLY)

MIKE ADDEO, GSO Capital Partners

JUSTIN BRASS, Jefferies & Company

GREN DAY, Cantor Fitzgerald

JAMES O. JOHNSTON, ESQ., Dewey & LeBoeuf LLP

ANDREW KOTLLAR, Centerbridge Partners

KENNETH MALMAN, Appaloosa Management

OLIVIA MAURO, Barclays Capital, Inc.

JOSHUA D. MORSE, ESQ., Dewey & LeBoeuf LLP

JOHN O'MEARA, Morgan Stanley

CRAIG PRICE, ESQ., Chapman and Cutler LLP

JOHN THOMPSON, ESQ., Cadwalader Wickersham Taft LLP

MICHAEL J. WALSH, Bank of America

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P R O C E E D I N G S

THE COURT: Please be seated. Good afternoon. So we should get appearances. First things first.

MR. MILLER: Yes, sir. Harvey Miller, Your Honor, from Weil, Gotshal & Manges, on behalf of the debtors.

MR. GOFFMAN: Jay Goffman and Jack Butler of Skadden Arps, on behalf of the unsecured creditors' committee.

THE COURT: Good afternoon.

MS. VRON: Good afternoon, Your Honor. Victoria Vron from Weil Gotshal on behalf of the debtors.

MS. GASPARINI: Good afternoon. Elisabetta Gasparini on behalf of the Office of the United States Trustee.

MS. CADEMARTORI: Good afternoon, Your Honor. Malani Cademartori, Sheppard Mullin, on behalf of Goodrich Corporation.

THE COURT: All right. I think that's it. And I don't believe we had any live appearances on the phone. But just in case I'm wrong about that, is there anybody who's on the phone in the capacity of a live appearance?

All right, hearing no one; Mr. Miller?

MR. MILLER: Good afternoon, Your Honor. As Your Honor may recall, there were three matters that were deferred from the first-day hearing which were held on November 29th. There are three open matters. None of these matters, Your Honor, ask for substantive relief. They are basically matters

1 to set up procedures.

2 And I'm very pleased to report, Your Honor, that  
3 with -- we have consulted with the creditors' committee and  
4 with Mr. Butler and Mr. Goffman, and we have reached consent as  
5 to the form of these orders for submission to Your Honor. I  
6 have a feeling, Your Honor, this may be the shortest hearing in  
7 these cases.

8 The first matter, Your Honor, is the motion of the  
9 debtors to establish and implement procedures for treatment of  
10 reclamation claims. That's ECF number 13. Although there was  
11 a limited objection filed on behalf of Goodrich Corporation,  
12 Your Honor, and counsel is here in court, but my understanding  
13 is that we're authorized to report to Your Honor that that  
14 objection is withdrawn. So there's no opposition to that  
15 order.

16 We have submitted to the Court -- or we've furnished  
17 the Court with black-line -- cumulative black-lines as compared  
18 to the original order that was proposed.

19 THE COURT: All right. I took a look at the motion  
20 and the cumulative black-line. I just had one comment, which  
21 was -- on the cumulative black-line, I guess, it's paragraph  
22 (L) of the list of procedures. There's a reference to filing a  
23 stipulation with the court that will be allowed without further  
24 order of a court if there essentially was an objection and it's  
25 been resolved consensually.

1           And I guess whenever I hear "settlement" I think 9019  
2           and I think court approval. Perhaps we just want to give that  
3           a different name, whether it's a notification or something,  
4           that doesn't imply that it requires court approval; just so  
5           that it doesn't somehow get bogged down in a certain amount of  
6           paper, and someone sees "settlement" and we end up with  
7           something being set for a hearing that shouldn't be.

8           MR. MILLER: Should we call it a stipulation of  
9           agreement, Your Honor?

10          THE COURT: That would be just fine.

11          And I guess that was my only substantive comment. And  
12          I guess in light of the agreement on all the language and the  
13          relief requested, I would suggest that page 2, the second  
14          ordered paragraph, just reflect -- as opposed to saying that  
15          there are any objections or comments are either withdrawn,  
16          resolved or overruled, I guess they've either been withdrawn or  
17          resolved, so we don't even have to get into overruled.

18          And I will grant the motion pursuant to Section 105  
19          and 546, for the procedures that are contemplated to deal with  
20          reclamation claims.

21          MR. MILLER: Thank you, Your Honor.

22          The second motion, Your Honor, is the motion of the  
23          debtors for an order pursuant to Sections 105(a) and 503(b)(9),  
24          establishing procedures for the assertion, resolution and  
25          satisfaction of claims asserted pursuant to Section 503(b)(9).



1 Again, Your Honor, the limited objection of Goodrich  
2 Corporation has been withdrawn. There are no other objections.  
3 And again, we have consulted with Mr. Butler and the creditors'  
4 committee and agreed upon the language, subject to Your Honor,  
5 of course.

6 THE COURT: All right. I am happy to approve this  
7 request as well. And I guess my only comment on the order is  
8 the same as my second comment on the prior order, that is,  
9 there are no objections that are being overruled.

10 MR. MILLER: Will do, Your Honor.

11 THE COURT: And I guess that leaves the PACA --

12 MR. MILLER: I was just waiting for Your Honor to say  
13 "granted".

14 THE COURT: Granted.

15 MR. MILLER: Okay.

16 THE COURT: As to number 2. So proceed.

17 MR. MILLER: Number 3, Your Honor, the motion of the  
18 debtors for an order pursuant to Section 105(a) for the  
19 establishment of procedures for the treatment of perishable --  
20 pursuant to the Perishable Agricultural Commodities Act. That  
21 was ECF number 15, Your Honor. There are no objections to that  
22 motion.

23 Again, we have agreed on the language with the  
24 creditors' committee's counsel, so there are no -- unless Your  
25 Honor has comments, we have given you a cumulative black-line.

1 THE COURT: I just had one question, and I just  
2 haven't dealt with PACA in this context before. For  
3 reclamation, there's an ability under the procedures  
4 contemplated to settle something without court approval. For  
5 the 503(b)(9), it's done on notice, consistent with the way the  
6 rule reads. And here I guess the procedure is designed to be  
7 similar to reclamation in that there is an ability to resolve  
8 the matter without further order of the Court.

9 I'm just wondering if you could explain sort of the  
10 approach here?

11 MR. MILLER: The approach here, Your Honor, is that  
12 the PACA statute is fairly clear. And we -- what we  
13 contemplate is consultation with the creditors' committee on  
14 these claims. If there are no objections, to proceed in the  
15 same manner as a reclamation claim.

16 THE COURT: All right. And are there any objections  
17 to this particular order?

18 MR. MILLER: No, Your Honor. The objection of, I  
19 think it's Freshfield -- let me just get the name -- Freshpoint  
20 Dallas --

21 THE COURT: Freshpoint Dallas, Inc.

22 MR. MILLER: -- we have been authorized, Your Honor,  
23 to advise the Court that it's been withdrawn.

24 THE COURT: All right. When I saw the language on the  
25 last page referring to Freshpoint Dallas, Inc., I assumed that

1 was the case.

2 MR. MILLER: Yes, sir.

3 THE COURT: All right. So, granted. And I will  
4 approve the request to deal with PACA claims. And my only  
5 comment on the order is, again, like the other two orders, that  
6 there really aren't any objections, so "overruled" --

7 MR. MILLER: We will provide for that, Your Honor.  
8 And that concludes the debtors' presentation, Your Honor.

9 THE COURT: All right. I see someone rising. I don't  
10 know if that's to leave or if there's something that we need to  
11 talk about?

12 MR. GOFFMAN: If I could just --

13 MR. MILLER: Thank you, Your Honor.

14 THE COURT: Absolutely.

15 MR. GOFFMAN: Good afternoon, Your Honor. Jay  
16 Goffman; Skadden Arps, on behalf of the unsecured creditors'  
17 committee. With me is my partner, Jack Butler. We filed  
18 appropriate pro hac vice motions for my partner. Since it is  
19 the first time we're appearing in this case, I just wanted to  
20 take a moment to introduce ourselves and talk for a second  
21 about our view of the case.

22 It's obviously a complex, important and large case.  
23 Tens of billions of dollars; tens of thousands of jobs are at  
24 stake here. We take our role as advising the creditors'  
25 committee very seriously. Our goals here are very simple, Your

1 Honor. We want to work very closely and consensually with the  
2 debtor and the debtor's counsel. We'd like this to be a  
3 completely consensual case if we can. We want American  
4 Airlines to emerge from Chapter 11 as a stronger, viable  
5 entity, and frankly to regain the prominence it once has the  
6 leading airline in the United States.

7 We may not always agree on everything, but we will  
8 pledge that we will always work hard to try to find a middle  
9 ground before we come back to this Court and ask for your help  
10 on anything. And with that, I really just wanted to introduce  
11 ourselves and tell you we're looking forward to working with  
12 the debtor and its counsel on getting this company out of  
13 Chapter 11.

14 THE COURT: All right. Well, thank you. Very happy  
15 to have you here.

16 MR. GOFFMAN: Thanks, Judge.

17 THE COURT: All right. Well, consistent with your  
18 prediction, I think this probably will be the shortest hearing  
19 in this case, perhaps ever. And I look forward to seeing you  
20 all on the 22nd.

21 Before we go, is there anything that we should talk  
22 about in contemplation of the hearing on the 22nd?

23 MR. MILLER: No, Your Honor. We're working with the  
24 committee on the -- on that agenda and what matters will be  
25 presented.

1 THE COURT: All right.

2 MR. MILLER: And we will --

3 THE COURT: Thank you --

4 MR. MILLER: -- we will make the corrections to the  
5 order -- the additions to the order, Your Honor, and probably  
6 submit it tomorrow.

7 THE COURT: That would be just fine. You can submit  
8 it electronically.

9 MR. MILLER: Thank you very much, Your Honor.

10 THE COURT: Thank you.

11 (Whereupon these proceedings were concluded at 2:22 PM)

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I N D E X

RULINGS


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establishing procedures for PACA claims		

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C E R T I F I C A T I O N

I, Penina Wolicki, certify that the foregoing transcript is a true and accurate record of the proceedings.

Penina  
Wolicki

 Digitally signed by Penina  
Wolicki  
DN: cn=Penina Wolicki, c=US  
Date: 2011.12.14 13:56:40 -05'00'

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PENINA WOLICKI

AAERT Certified Electronic Transcriber CET\*\*D-569

Veritext

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Date: December 14, 2011