U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	CASE NO.: 02-38187-HDH-11
PATRIOT AIR, L.L.C.,	§	
	§	Confirmation Hearing Set for 9:00 a.m.
Debtor.	§	Date: May 24, 2004

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN CONNECTION WITH CONFIRMATION OF FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION PROPOSED BY MICHAEL A. MCCONNELL, CHAPTER 11 TRUSTEE

On the 24th day of May, 2004, in Dallas, Texas, came on for consideration by this Court the hearing on confirmation of the First Amended Chapter 11 Plan of Liquidation Proposed by Michael A. McConnell, dated April 16, 2004 (the "First Amended Plan"). All parties appearing in connection with the confirmation of the First Amended Plan were duly noted on the record.

After consideration of the First Amended Plan, the evidence presented, the arguments of counsel, together with the records and files in this Chapter 11 proceeding, this Court hereby makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. The Chapter 11 bankruptcy case of Patriot Air, L.L.C. ("Patriot Air", "Debtor" or "Debtor-in-Possession"), was commenced pursuant to Voluntary Petition filed September 18, 2002 (the "Petition Date").

2. Following the Petition Date, the Debtor operated as a Debtor in Possession pursuant to the provisions of 11 U.S.C. §§ 1107 and 1108.

3. Pursuant to Order entered May 12, 2003, this Court ordered the appointment of a Chapter 11 Trustee and in that regard approved the appointment by the United States Trustee for the Northern District of Texas of Michael A. McConnell ("McConnell", "Trustee" or "Plan Proponent") to serve in that capacity.

4. The First Amended Disclosure Statement referring to that certain First Amended Plan filed by the Trustee was approved by that certain Order Approving First Amended Disclosure Statement and Fixing Time For Filing Acceptances or Rejections of First Amended Plan, Combined With Notice Thereof (the "Disclosure Statement Order") entered April 20, 2004.

5. Copies of the First Amended Disclosure Statement, the Ballot for accepting or rejecting the First Amended Plan, the First Amended Plan, and the Disclosure Statement Order were properly and timely mailed to all known creditors and parties in interest in this Chapter 11 case.

6. No objections to confirmation were timely filed.

7. The First Amended Plan complies with the applicable provisions of title 11, United States Code.

8. The proponent of the First Amended Plan has complied with the applicable provisions of title 11, United States Code.

9. The First Amended Plan has been proposed in good faith and not by any means forbidden by law.

10. Any payment made or to be made by the Trustee or his successor in connection with the case or in connection with the First Amended Plan, has been approved by, or is subject to the approval of, the United States Bankruptcy Court as reasonable.

11. All insiders who will be employed or retained by the Trustee or his successor have been disclosed.

12. The First Amended Plan does not provide for any rate changes subject to approval by any governmental or regulatory commission with jurisdiction over the rates of the Debtor or its successor.

13. Each holder of an Allowed Claim or an Allowed Interest in each class of Allowed Claims or Allowed Interests in the First Amended Plan has accepted the Plan or will receive or retain under the First Amended Plan on account of such Allowed Clam or Allowed Interest property of a value as of the Effective Date that is not less than the amount that such holder would receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on such date.

14. Classes 1 and 2 are not impaired under the First Amended Plan. All other Classes of Claims and Interests are deemed impaired.

15. All voting impaired Classes have accepted the First Amended Plan in accordance with Section 1126 of the Bankruptcy Code. The Ballot Summary containing the tabulation of votes was admitted into evidence without objection.

16. At least one class of Allowed Claims impaired under the First Amended Plan has accepted the First Amended Plan, determined without regard to or inclusion of any acceptance of the First Amended Plan by any insider.

17. The First Amended Plan does not discriminate unfairly and is fair and equitable with regard to each class of claims or interests.

18. The First Amended Plan provides that the holder of an Allowed Claim specified in Section 507(a) of the Bankruptcy Code shall receive cash equal to the allowed amount of such Allowed Claim on the Effective Date or as soon thereafter as is practicable.

19. Confirmation of the First Amended Plan is not likely to be followed by the need for further financial reorganization of the Debtor, except to the extent that such liquidation or reorganization is proposed in the First Amended Plan.

20. All fees payable under section 1930 of title 28, United States Code, as determined by the Court have been paid or the First Amended Plan provides for the payment of all such fees on the Effective Date.

21. The First Amended Plan and all transactions contemplated thereunder do not have as their principal purpose the avoidance of any taxes.

22. To the extent any of the Conclusions of Law set forth below include Findings of Fact, they are incorporated herein by this reference.

CONCLUSIONS OF LAW

23. To the extent any of the Findings of Fact set forth above include Conclusions of Law, they are incorporated herein by this reference.

24. The proceeding with respect to the confirmation of the First Amended Plan is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Bankruptcy Court has jurisdiction over the Debtors' Chapter 11 case pursuant to 28 U.S.C. § 157(a) and has jurisdiction to make the Findings of Fact and Conclusions of Law referred to herein and to enter the Order Confirming Plan, dated of even date herewith and entered concurrently herewith.

25. The First Amended Plan was prepared and filed in compliance with the applicable provisions of title 11, United States Code, contains all provisions required by Section 1123 of the Bankruptcy Code, and contains only such other provisions as are permitted by Section 1123 of the Bankruptcy Code and as are consistent with title 11, United States Code.

26. All Claims and Interests have been properly classified in the First Amended Plan in accordance with Section 1122 of the Bankruptcy Code.

27. Notice of the hearing to consider confirmation of the First Amended Plan, the date fixed for filing acceptances or rejections of the First Amended Plan and the date fixed for filing objections to confirmation of the First Amended Plan was appropriate and the best notice possible under all of the circumstances, as required by Section 102(l) of the Bankruptcy Code, Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure and all other applicable law.

28. The First Amended Disclosure Statement complies with the applicable provisions of title 11, United States Code, including, without limitation, Section 1125 of the Bankruptcy Code.

29. The solicitation of acceptances of the First Amended Plan by the Plan Proponent, including, without limitation, the procedures adopted and followed by the Plan Proponent in transmitting, receiving and tabulating acceptances and rejections of the First Amended Plan, were in compliance with Sections 1125 and 1126 of the Bankruptcy Code and applicable bankruptcy rules and were appropriate and adequate under all of the circumstances of this case.

30. All of the requirements for confirmation of the First Amended Plan specified by Section 1129(a) of the Bankruptcy Code have been satisfied.

31. The First Amended Plan should be **CONFIRMED.**

32. Pursuant to § 1129(a) and effective as of the date of entry of this Order, all property of the Debtor should be vested free and clear of all liens, claims and interests, except as specifically provided in this Confirmation Order and in the First Amended Plan.

33. Michael A. McConnell is hereby appointed to serve as the Plan Administration Agent under the First Amended Plan; however, in the event Michael A. McConnell is unable to serve in this capacity, this Court shall appoint as a substitute Plan Administration Agent a qualified individual mutually agreed upon by the United States Trustee and Wells Fargo Bank Northwest, NA, as Owner Trustee, on behalf of Triton Aviation Finance, as Beneficiary.

34. The Plan Administration Agent should be authorized and empowered to issue, execute, deliver, file or record any document, and to take any action necessary or appropriate to implement, effectuate and consummate the First Amended Plan in accordance with its terms, whether or not such document or action is specifically referred to in the First Amended Plan and without further application to or order of this Court.

35. All fees payable under 28 U.S.C. § 1930, if not already paid, should be paid by the Plan Administration Agent on the Effective Date or when due if due after the Effective Date, and that the Plan Administration Agent, in his representative capacity only and not individually, should be responsible for the timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6) until a Final Decree is entered and the case is closed by the Clerk of the Court.

36. This Court should retain and have all the jurisdiction conferred upon it by titles 28 and 11 of the United States Code and all amendments thereto, after the date of entry of this Order, and in particular shall retain jurisdiction over all requests for compensation and reimbursement of expenses by professionals in connection with the First Amended Plan or this case, whether for

services and expenses before or after confirmation of the First Amended Plan, and all such requests shall be subject to Court approval, after notice and hearing.

37. All executory contracts and unexpired leases of the Debtor shall be rejected effective as of the entry of the Confirmation Order.

38. All claims for damages based on the Debtor's rejection of an executory contract or unexpired lease must be filed on or before the thirtieth (30th) day following the entry of this Order.

Dated: 5-24-04.

HARLIN D. HALE, BANKRUPTCY JUDGE