UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:	)	
	)	**Chapter 11**
PATRIOT COAL CORPORATION, *et al*.,	)	**Case No. 12-51502-659**
	)	**(Jointly Administered)**
Debtors.	)	
	)	**Re: Docket No. 3423**
	)	
	)	**Hearing Date:**
	)	**April 23, 2013 at 10:00 a.m. (CST)**

OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE MOTION FOR THE APPOINTMENT OF A CHAPTER 11 TRUSTEE

The Official Committee of Unsecured Creditors (the "**Committee**") of the above debtors and debtors-in-possession (collectively, the "**Debtors**") submits this objection (the "**Objection**") to the motion for an order directing the appointment of a chapter 11 trustee (the "**Motion**," ECF No. 3423) filed by Aurelius Capital Management, LP and Knighthead Capital Management, LLC (together, the "**Noteholders**") and respectfully represents as follows:

PRELIMINARY STATEMENT

1. The Noteholders, two creditors who hold a specified but relatively small amount of claims, want a chapter 11 trustee to separately reorganize those Debtors that are not liable on contracts with the United Mine Workers of America (the "**Non-Obligor Debtors**"). The Noteholders seek this relief on two grounds:

- They allege that the appointment of a trustee is in the best interests of creditors of the Non-Obligor Debtors under Section 1104(a)(2)[1] because it will allow Non-Obligor Debtors to avoid future defaults under the Debtors' Debtor-in-Possession Credit Facility (the "**DIP Facility**"); and

[1] Unless stated otherwise herein, all statutory references are to 11 U.S.C. §§ 101, *et seq*. (the "**Bankruptcy Code**").

- They allege "cause" under Section 1104(a)(1) based on the Debtors' alleged "gross mismanagement" and "breach of fiduciary duty" in allegedly planning to burden Non-Obligor Debtors with UMWA liabilities and delaying the reorganization of the Non-Obligor Debtors.

2. Neither ground has merit.

3. The Noteholders do not explain how appointment of a trustee will avert a *future* default under the DIP Facility, and they ignore the incontestable fact that appointment of a trustee will cause an *immediate* default under the DIP Facility; threatening *all* Debtors – including Non-Obligor Debtors – with *immediate* liquidation. That is not in the best interest of creditors.

4. With one exception, the allegations of "gross mismanagement" and "breach of fiduciary duty" are not based on anything management has actually done. Rather, they center around a few sentences in the declaration of the Debtors' financial advisor in support of the Termination Motion (defined below) that the Noteholders believe reflects *an intent* to encumber Non-Obligor Debtors with UMWA agreements *in the future*. Even if this were true, nothing has actually happened and nothing can happen in the future except with the approval of this Court at a hearing on notice to the Noteholders. In short, the Noteholders ask this Court to appoint a trustee to prevent a future motion or a future plan they might not like.[2] That is no basis for appointment of a trustee.

5. The sole exception is the Noteholders' complaint that management has held the reorganization of the Non-Obligor Debtors hostage to the labor negotiations of the Obligor Debtors. But the Noteholders never explain how the Non-Obligor Debtors could have reorganized separately. Those Debtors are jointly and severally liable with the Obligor Debtors

[2] For example, the Debtors could move to substantively consolidate the Debtors or file a plan which accomplishes substantive consolidation. The Committee takes no position on whether substantive consolidation is either possible or desirable; the Committee notes only that an intent to substantively consolidate cannot be a breach of fiduciary duty to any creditor, since substantive consolidation can be granted or implemented only if the Court finds that the applicable legal standards are met.

for (i) over $600 million in loans and letters of credit under the DIP Facility (which is due and payable in full and in cash immediately upon the reorganization of ***any*** Debtor), (ii) a $959 million claim asserted by the United Mine Workers of America (the "**UMWA**") 1974 Pension Plan and Trust (the "**1974 Pension Plan**"), and (iii) up to $135 million in liabilities under the Coal Industry Retiree Health Benefits Act of 1992 (the "**Coal Act**") that generally cannot be modified in bankruptcy. Although each of these claims is a matter of public record, the Noteholders never explain how the Non-Obligor Debtors can be reorganized without addressing them. The Noteholders do not even allege that the Non-Obligor Debtors are capable of repaying these liabilities out of their own assets.

6. In the absence of any showing how the "Non-Obligor Debtors" could have been reorganized separately in the past or can be reorganized separately in the future, the Noteholders have provided no basis to interfere with the common management of the Debtors. It is not in the best interests of the creditors of any Debtor, including the creditors of any Non-Obligor Debtor, to pretend otherwise.

7. For these and other reasons set forth below, the Committee does not support the appointment of a chapter 11 trustee at this time and respectfully requests that the Court deny the Motion.

BACKGROUND

8. The Noteholders do not disclose the amount of their claims; their motion says only that they are the beneficial holders of "a majority" of the $250 million principal amount of 8.25% Senior Notes (the "**Senior Notes**"), which presumably means more than $125 million and less than $175 million[3], and "a substantial amount" of the 3.25% Convertible Notes

[3] If the Noteholders held two thirds of the Senior Notes – the percentage needed for a class to vote yes – they presumably would have said so in the Motion.

(the "**Converts**"), which presumably means less than $67 million[4] – equaling total holdings of less than $242 million. All Debtors, including the Non-Obligor Debtors, are liable on the Senior Notes. Only one Non-Obligor Debtor – Patriot Coal Corporation – is liable on the Converts. **Exhibit A** contains a chart showing the total estimated number of creditors of each Non-Obligor Debtor and the total amount of filed unsecured claims against each Non-Obligor Debtor. The Non-Obligor Debtors have a total of more than 4,000 creditors and each Non-Obligor Debtor has total unsecured claims of approximately $1 billion. With respect to each and every Non-Obligor Debtor, the chart shows that the Noteholders and their claims constitute a minority of the creditors and the claims. To date, no other creditor has joined the Noteholders' Motion.

9. By their Motion, the Noteholders seek the appointment of a chapter 11 trustee to administer the estates of the Non-Obligor Debtors. The motion alleges that the Non-Obligor Debtors have failed to fulfill their fiduciary duties to their respective creditors by agreeing to the terms of the Section 1113/1114 proposals set forth in the Debtors' Motion to Reject Collective Bargaining Agreements and to Modify Retiree Benefits Pursuant to 11 U.S.C. §§ 1113, 1114 of the Bankruptcy Code, ECF No. 3214 (the "**Termination Motion**").

10. It further asserts that, while both the Obligor and Non-Obligor Debtors are jointly and severally liable on the Noteholders' claims, only the Obligor Debtors are liable to the UMWA or union retirees. The Debtors' Section 1113/1114 proposals, the Noteholders argue, would improperly shift union-related liabilities that previously existed only against the Obligor Debtors to the Non-Obligor Debtors, thus diluting the claims of those creditors – like the Noteholders – who have recourse against the Non-Obligor Debtors' estates. This, they contend,

[4] If the Noteholders held one third of the Converts – the percentage needed to compel a class to vote no – they presumably would have said so in the Motion.

constitutes gross mismanagement of the Non-Obligor Debtors' estates requiring replacement of the Non-Obligor Debtors' management with a chapter 11 trustee.

ARGUMENT

A. Appointment of a Chapter 11 Trustee is Extraordinary Relief

11. Section 1104(a) of the Bankruptcy Code provides that on request of a party in interest or the United States trustee, after notice and a hearing, the court shall order the appointment of a trustee:

> (1) for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor by current management, either before or after the commencement of the case, or similar cause, but not including the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor; or
>
> (2) if such appointment is in the interests of creditors, any equity security holders, and other interests of the estate, without regard to the number of holders of securities of the debtor or the amount of assets or liabilities of the debtor.

11 U.S.C. § 1104(a)(1)-(2).

12. Appointment of a trustee under these provisions is an "extraordinary remedy," and there is "a strong presumption in favor of allowing a chapter 11 debtor-in-possession to remain in possession." *See Keeley & Grabanski Land P'ship (In re Keeley & Grabanski Land P'ship)*, 455 B.R. 153, 162 (B.A.P. 8th Cir. 2011) (citations omitted); *In re Tanglewood Farms, Inc.*, No. 10-06719-8-JRL, No. 10-06745-JRL, 2011 Bankr. LEXIS 624, at *6 (Bankr. E.D.N.C. Feb. 10, 2011) ("Bankruptcy courts are generally reluctant to displace the management and control of the debtors' business unless extraordinary circumstances warrant it.").

13. Moreover, "the parties seeking the appointment bear the burden of proving the appointment is justified." *In re Jessen*, 82 B.R. 490, 494 (Bankr. S.D. Iowa 1988) (citations omitted); *see also In re Adelphia Commc'ns Corp.*, 336 B.R. 610, 655-56 (Bankr. S.D.N.Y. 2006) (stating that "[i]t is settled that appointment of a trustee should be the exception, rather than the rule … [and] [a] party seeking appointment of a trustee has the burden of showing … cause under section 1104(a)(1) or the need for a trustee under section 1104(a)(2).") (citations omitted). As a result, "Section 1104 motions have been denied even where the [movant] has demonstrated some potentially questionable conduct by existing management of a debtor". *Adams v. Marwil (In re Bayou Group, LLC)*, 564 F.3d 541, 547 (2d Cir. 2009) (citing *In re North Star Contracting Corp.*, 128 B.R. 66, 69-70 (Bankr. S.D.N.Y. 1991)).

14. As set forth below, the Noteholders have not carried their burden of proving that the appointment of a trustee is warranted under either Sections 1104(a)(1) or 1102(a)(2). The Noteholders have not alleged any fraud, dishonesty, misconduct, improper dealings or the like. Rather, the appointment of a chapter 11 trustee would cause immediate and substantial harm to all of the Debtors' estates and their respective creditors.

B. The Appointment of a Chapter 11 Trustee Will Cause an Immediate Event of Default under the DIP Facility

15. The first pillar of the Noteholders' motion is their claim that appointment of a Trustee is necessary to avert a *future* potential covenant default under the Debtors' DIP Facility. Not only is this contention unproven, but the relief the Noteholders seek would cause the very harm they claim they want to avoid.

16. Section 9.01(n) of the Debtors' First Out DIP Credit Agreement (the "**DIP Agreement**")[5] provides that a "Default" shall occur upon the appointment of "a trustee under Chapter 7 or Chapter 11 of the Bankruptcy Code . . . in *any* of the Cases of the Debtors." (DIP Agreement § 9.01(n) (emphasis added).) If the Noteholders' motion is granted, this default provision of the DIP Agreement would be *immediately* triggered.

17. Such a Default would result in the *immediate* impairment of the Debtors' continued borrowing abilities under section 4.02(b) of the DIP Agreement, which conditions the Lenders' obligations to extend credit under the DIP Facility on the nonexistence of a Default. This alone could force the Debtors' cases into liquidation.

18. Moreover, if the order directing the appointment of a chapter 11 trustee were not reversed or vacated within 30 days of entry, it would then constitute an "Event of Default." (DIP Agreement § 9.01(n).) Upon the occurrence of an Event of Default, the DIP Lenders would be entitled to declare all amounts outstanding on loans to be immediately due and payable by all Debtors, foreclose on their liens, force the Debtors to cash collateralize outstanding letter of credit obligations, and enforce a host of other remedies. (DIP Agreement § 9.02(a); *see also* § 2.04(h).)

19. A default under the DIP Agreement thus threatens each Debtor, including each Non-Obligor Debtor, with immediate liquidation and, on these facts, militates against the appointment of a trustee. *See, e.g., Adelphia*, 336 B.R. at 639 ("Appointment of a trustee will constitute an event of default under the $1.3 billion DIP Facility . . . . Such an event would materially impair all of the Adelphia Debtors' ability to operate their businesses on a day-to-day

[5] The First Out DIP Credit Agreement as defined in the Final Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363 and (II) Granting Adequate Protection to Pre-Petition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364 [ECF No. 275].

basis."); *WorldCom*, Case No. 02-13533 (AJG), 2003 Bankr. LEXIS 2192, at *38 (Bankr. S.D.N.Y. May 16, 2003) (stating that the appointment of a trustee "would constitute an event of default under the Debtors' postpetition credit facility … [and, as a result] creditors and suppliers would be reluctant to provide the Debtors with trade credit, critical goods, and services, rendering the Debtors unable to properly serve their customers and without any ability to finance working capital requirements.").

20. The Committee does not take the position that a Trustee appointment should be denied in every case in which a default under a financing agreement would occur; however, because the Noteholders have otherwise failed to meet the standards of Section 1104(a)(1) and 1104(a)(2) their Motion should be denied since a default under the DIP Facility is not in the best interests of creditors.

C. Separate Reorganization of Any Non-Obligor Debtor Would Accelerate the DIP Facility

21. The Noteholders next argue that a trustee, if appointed, would be able to separately reorganize the Non-Obligor Debtors more efficiently and quickly. (Motion at ¶ 29.) This argument, too, overlooks critical provisions of the DIP Facility, which render the entire facility immediately due and payable by every Debtor upon ***any*** Non-Obligor Debtor's emergence from bankruptcy.

22. The DIP Agreement provides that, upon the substantial consummation (which shall occur no later than the effective date) of a Reorganization Plan, the DIP Facility will be terminated. The term "Reorganization Plan" is defined in the DIP Agreement as "a liquidation plan or plan of reorganization in *any or all* of the Cases of the Debtors." (DIP Agreement § 1.01 (emphasis added).) Upon termination, the DIP Agreement requires immediate payment or cash collateralization of more than $600 million, including:

- *immediate* repayment of all principal outstanding under the Debtors' Revolving Credit Loans and Term Loans (*id.* § 2.08(a), (c));
- *immediate* posting of cash collateral in the amount of 105% of outstanding letters of credit (*id.* § 2.03(b)(iii)); and
- *immediate* payment of various fees imposed under the DIP Facility (*id.* § 2.10(a)-(b)).

23. Thus, even if appointed, a Trustee could not confirm, let alone consummate, a separate chapter 11 plan of reorganization for any Non-Obligor Debtor, unless that Debtor can repay the whole of the DIP Facility out of its own assets. The Noteholders do not so much as allege that this is possible.

D. The Court Should Not Appoint a Trustee to Prevent a Future Motion or a Future Plan That the Noteholders Might Not Like

24. Based on a few sentences in the lengthy declaration of the Debtors' financial advisor in support of the Termination Motion, the Noteholders argue that the Debtors intend to encumber Non-Obligor Debtors with liabilities under UMWA agreements to which they are not party, an action that they claim will constitute a breach of fiduciary duty and gross mismanagement.

25. The Declaration of Paul P. Huffard in support of the Termination Motion states that "[a] significant funding source for the VEBA[6] will be an unsecured claim against the Debtors' estate" which is estimated to be approximately $1.0 billion (the "**VEBA Claim**") (Huffard Decl. in Supp. of Termination Motion at ¶¶ 67 and 69). The Debtors suggested that the

[6] The "**VEBA**" is a Voluntary Employee Beneficiary Association trust that the Debtors propose will provide health benefits to the Debtors' unionized retirees. *See* Termination Motion, at 5-6, 51-56. Under the Debtors' fourth proposal (the operative proposal at the time of the Termination Motion) the VEBA was to be funded by a $15 million cash payment, a small amount of profit sharing, plus an "allowed unsecured claim against Patriot's estate in an amount to be calculated and negotiated" arising from the termination of retiree medical benefits.

VEBA Claim could have an implied value of "hundreds of millions of dollars" (Debtors' Mem. of Law in Supp. of Termination Motion 53).

26. The Debtors neither (i) specified the amount of the VEBA Claim nor (ii) identified those Debtors against whom the VEBA Claim would be allowed. Moreover, the Debtors did not determine the value of any of the Obligor Debtors or of the VEBA Claim.

27. The Noteholders' fears, of encumbering Non-Obligor Debtors as part of the Termination Motion simply cannot be realized at this stage of these chapter 11 proceedings. An unliquidated claim for termination of retiree medical benefits, such as what the VEBA would hold, can be allowed only (i) through a proceeding under Section 502 (which the Termination Motion most certainly is not) or (ii) under a chapter 11 plan.

28. Even if the Debtors subsequently seek the allowance of a new liability against the Non-Obligor Debtors or to substantively consolidate these bankruptcy cases, the mere filing of those motions is not a sufficient justification to appoint a trustee. The Noteholders and any other party in interest (including the Committee) will have the opportunity to object and to argue that the applicable standards for granting relief cannot be met.[7]

29. Moreover, courts have held that alleged interdebtor and intercreditor conflicts do not, by themselves, meet the standards of Section 1104(a)(1) nor is a basis for relief under Section 1104(a)(2). *See, e.g.*, *Adelphia*, 336 B.R. at 619 ("the existence of interdebtor disputes, even material ones, is not by itself cause for the appointment of a trustee…"); *WorldCom*, 2003 Bankr. LEXIS 2192, at *25–27 (denying appointment of a trustee where moving creditors disagreed with debtors' conclusions regarding substantive consolidation and intercompany

[7] By way of example, the court in *Innkeepers* refused to approve the assumption of a plan support agreement that provided a secured lender with 100% equity in the reorganized debtors where the lender was secured by collateral of only twenty of ninety-two debtors because there lacked a sound business justification and the Debtors did not act in good faith. *See In re Innkeepers USA Trust, et al.*, 442 B.R. 227 (Bankr. S.D.N.Y. 2010).

claims). Without more, the interdebtor and intercreditor issues raised by the Termination Motion – and the likelihood of conflict regarding those issues – is insufficient to support the appointment of a trustee under Sections 1104(a)(1) and 1104(a)(2).

E. The Noteholders Ignore the Non-Obligor Debtors' Joint and Several Obligations under the 1974 Pension Plan and the Coal Act

30. The Noteholders' claims constitute only about 20% of the approximately $1 billion or more in total claims against each of the Non-Obligor Debtors. The 1974 Pension Plan has filed claims against each Debtor, including each Non-Obligor Debtor, in an amount of more than $959 million. Certain Non-Obligor Debtors are also jointly and severally liable for the Obligor Debtors' Coal Act obligations which the Debtors' estimate to be $134.7 million (Hatfield Decl. in Supp. of Termination Motion at ¶ 95(b)).

31. The Noteholders' sole acknowledgment of the 1974 Pension Plan (whose claims dwarf their own) and the Coal Act liabilities, is an assertion in footnote 5 of the Motion that Patriot Coal Corporation will pay the pension plan's withdrawal liability and that Patriot Coal Corporation will not impair the Coal Act liabilities (Motion ¶ 14, n.5).

32. However, if the Non-Obligor Debtors reorganize before the rest of the Debtors, they will pay the Coal Act liabilities. The Coal Act liabilities generally are not dischargeable in bankruptcy and, thus, they will be payable as they come due, in cash, solely by any reorganized Non-Obligor Debtors.

33. If the Non-Obligor Debtors reorganize separately, the Non-Obligor Debtors will similarly have to deal with the claims of the 1974 Pension Plan. If the amount payable with respect to the Debtors' withdrawal liability obligations can in fact be paid in installments of about $25 million per year as provided by the Employee Retirement Income Security Act

("**ERISA**")[8] – something the 1974 Pension Plan may contest - it is the Non-Obligor Debtors who will pay the cash out of bankruptcy while the Obligor Debtors remain in chapter 11. The 1974 Pension Plan has asserted that the Debtors' bankruptcy is an event of default under the Plan.[9] As such, the 1974 Pension Plan may argue that the continuation of the Obligor Debtors in chapter 11 constitutes a continuing event of default leaving the 1974 Pension Plan free to assert its entire $959 million claim against the Non-Obligor Debtors – once the Non-Obligors exit chapter 11. The Non-Obligor Debtors could deal with the pension claim only by satisfying it with stock under their hypothetical stand-alone plan, which would make the 1974 Pension Plan by far the largest shareholder of the reorganized Non-Obligor Debtors.

34. Thus the Noteholders' proposal to reorganize the Non-Obligor Debtors separately is at best a proposal to deliver a majority of the equity of these companies to the 1974 Pension Plan which has not requested a separate reorganization.

CONCLUSION

35. Nothing stops the Noteholders from presenting to the Debtors, or to the Committee, a real and feasible plan to reorganize the Non-Obligor Debtors separately from the other Debtors – a plan that would have to include financing to repay the DIP Facility and provisions for the payment or satisfaction of other creditors of the Non-Obligor Debtors. If the Noteholders can develop such a plan, they should have the right to file it.[10] In the absence of (i) such a plan and (ii) any agreement with the DIP Lenders not to call a default upon the

[8] $25 million is the Committee's estimate of the annual payment obligation under 29 U.S.C. § 1399(c)(1)(C)(i); the actual number may be higher or lower. In addition, it is worth emphasizing that the 1974 Pension Plan has indicated that it believes that the Debtors do not have the legal ability to treat the claim for withdrawal liability by paying it in installments, and has indicated that it will object to any plan that contains such treatment. If the Court permits the Debtors to pay by installments, the Non-Obligor Debtors would be obligated to pay 100% of the installment costs on a current basis, which the Noteholders do not acknowledge.

[9] *See* Response of the 1974 Pension Plan to the Motion, ECF No. 3625, ¶¶ 7-9.

[10] The Committee is contemporaneously objecting to the extension of the period in which the Debtors' have the exclusive right to file a plan.

appointment of a trustee, the Noteholders fail to carry their burden of demonstrating either (i) cause for the appointment of a chapter 11 trustee under Section 1104(a)(1), or (ii) that such an appointment would be in the interests of creditors, equity security holders, or the Debtors' estates, as required under Section 1104(a)(2). As a result, a chapter 11 trustee should not be appointed and the Motion should be denied.

[*Signature page follows*]

Dated: April 16, 2013

Respectfully Submitted,

CARMODY MACDONALD P.C.

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CERTIFICATE OF SERVICE

I certify that on April 16, 2013 a copy of the foregoing pleading was served through the Court's CM/ECF system on those parties receiving ECF notices in these proceedings.

/s/ Gregory D. Willard
Gregory D. Willard

EXHIBIT A

(See attached pages)

Patriot Coal Corporation et al.
Unsecured Claim Summary for the 86 Non-Obligor Debtors[1]

86 Non-Obligor Debtors[1]	Noteholders' Claims[2]	Other Filed Unsecured Claims[3,4,5]	Number of Other Creditors[6]
Affinity Mining Company	< $175 MM	$ 959,664,655	7
Appalachia Mine Services, LLC	< $175 MM	$ 959,959,130	162
Beaver Dam Coal Company, LLC	< $175 MM	$ 974,662,367	4
Big Eagle Rail, LLC	< $175 MM	$ 959,664,440	6
Big Eagle, LLC	< $175 MM	$ 959,662,428	2
Black Stallion Coal Company, LLC	< $175 MM	$ 961,964,931	122
Black Walnut Coal Company	< $175 MM	$ 959,662,367	10
Bluegrass Mine Services, LLC	< $175 MM	$ 959,671,600	4
Brook Trout Coal, LLC	< $175 MM	$ 959,662,367	16
Catenary Coal Company, LLC	< $175 MM	$ 993,939,229	269
Central States Coal Reserves of Kentucky, LLC	< $175 MM	$ 992,545,290	6
Charles Coal Company, LLC	< $175 MM	$ 959,662,367	4
Cleaton Coal Company	< $175 MM	$ 975,450,101	6
Coal Clean LLC	< $175 MM	$ 960,235,129	64
Coal Properties, LLC	< $175 MM	$ 959,662,367	4
Coal Reserve Holding Limited Liability Company No. 2	< $175 MM	$ 959,662,367	2
Cook Mountain Coal Company, LLC	< $175 MM	$ 959,662,367	2
Corydon Resources LLC	< $175 MM	$ 959,662,367	2
Coventry Mining Services, LLC	< $175 MM	$ 959,662,367	3
Coyote Coal Company LLC	< $175 MM	$ 960,552,143	42
Cub Branch Coal Company LLC	< $175 MM	$ 959,662,367	2
Day LLC	< $175 MM	$ 959,662,367	2
Dixon Mining Company, LLC	< $175 MM	$ 959,662,367	2
Dodge Hill Holding JV, LLC	< $175 MM	$ 959,662,367	2
Dodge Hill Mining Company, LLC	< $175 MM	$ 962,527,738	321
Dodge Hill of Kentucky, LLC	< $175 MM	$ 959,662,367	2
EACC Camps, Inc.	< $175 MM	$ 959,684,185	4
Eastern Coal Company, LLC	< $175 MM	$ 975,534,977	4
Eastern Royalty, LLC	< $175 MM	$ 959,662,367	12
Emerald Processing, L.L.C.	< $175 MM	$ 959,673,235	27
Grand Eagle Mining, LLC	< $175 MM	$ 976,680,928	221
Hillside Mining Company	< $175 MM	$ 960,052,306	80
Indian Hill Company LLC	< $175 MM	$ 975,450,101	2
Infinity Coal Sales, LLC	< $175 MM	$ 959,662,367	6
Interior Holdings, LLC	< $175 MM	$ 959,662,367	2
IO Coal LLC	< $175 MM	$ 959,662,367	2
Jarrell's Branch Coal Company	< $175 MM	$ 959,902,151	16
Jupiter Holdings LLC	< $175 MM	$ 959,716,816	20
Kanawha Eagle Coal, LLC	< $175 MM	$ 983,521,190	228
Kanawha River Ventures I, LLC	< $175 MM	$ 959,662,367	2
Kanawha River Ventures II, LLC	< $175 MM	$ 979,302,800	13
Kanawha River Ventures III, LLC	< $175 MM	$ 980,510,974	11
KE Ventures, LLC	< $175 MM	$ 959,662,367	2
Little Creek LLC	< $175 MM	$ 959,666,944	39
Logan Fork Coal Company	< $175 MM	$ 959,662,367	12
Magnum Coal Company LLC	< $175 MM	$ 1,033,765,619	60
Magnum Coal Sales LLC	< $175 MM	$ 965,678,242	26
Midland Trail Energy LLC	< $175 MM	$ 961,041,998	339
Midwest Coal Resources II, LLC	< $175 MM	$ 975,450,101	2

86 Non-Obligor Debtors[1]	Noteholders' Claims[2]	Other Filed Unsecured Claims[3,4,5]	Number of Other Creditors[6]
New Trout Coal Holdings II, LLC	< $175 MM	$ 959,662,367	2
Newtown Energy, Inc.	< $175 MM	$ 962,262,416	281
North Page Coal Corp.	< $175 MM	$ 959,662,367	4
Ohio County Coal Company, LLC	< $175 MM	$ 975,082,320	138
Panther LLC	< $175 MM	$ 982,546,169	232
Patriot Beaver Dam Holdings, LLC	< $175 MM	$ 959,662,367	2
Patriot Coal Company, L.P.	< $175 MM	$ 963,574,458	48
Patriot Coal Corporation	< $242 MM	$ 1,239,398,802	456
Patriot Coal Sales LLC	< $175 MM	$ 995,463,842	59
Patriot Coal Services LLC	< $175 MM	$ 962,907,891	225
Patriot Leasing Company LLC	< $175 MM	$ 1,044,968,054	24
Patriot Midwest Holdings, LLC	< $175 MM	$ 959,697,242	3
Patriot Reserve Holdings, LLC	< $175 MM	$ 979,072,804	12
Patriot Trading LLC	< $175 MM	$ 959,662,367	2
PCX Enterprises, Inc.	< $175 MM	$ 959,723,554	2
Pond Creek Land Resources, LLC	< $175 MM	$ 959,662,367	2
Pond Fork Processing LLC	< $175 MM	$ 959,662,367	4
Remington Holdings LLC	< $175 MM	$ 959,662,367	2
Remington II LLC	< $175 MM	$ 965,265,800	7
Remington LLC	< $175 MM	$ 974,609,579	305
Robin Land Company, LLC	< $175 MM	$ 961,263,132	61
Sentry Mining, LLC	< $175 MM	$ 959,679,765	4
Snowberry Land Company	< $175 MM	$ 975,450,101	2
Speed Mining LLC	< $175 MM	$ 962,503,480	451
Sterling Smokeless Coal Company, LLC	< $175 MM	$ 959,662,367	7
TC Sales Company, LLC	< $175 MM	$ 960,460,740	3
The Presidents Energy Company LLC	< $175 MM	$ 959,662,367	2
Thunderhill Coal LLC	< $175 MM	$ 959,662,367	3
Trout Coal Holdings, LLC	< $175 MM	$ 959,662,367	2
Union County Coal Co., LLC	< $175 MM	$ 959,662,367	6
Viper LLC	< $175 MM	$ 959,662,367	2
Weatherby Processing LLC	< $175 MM	$ 959,662,367	2
Wildcat Energy LLC	< $175 MM	$ 959,662,367	95
Wildcat, LLC	< $175 MM	$ 959,682,917	18
Will Scarlet Properties LLC	< $175 MM	$ 959,662,367	5
Winchester LLC	< $175 MM	$ 959,666,367	5
Winifrede Dock Limited Liability Company	< $175 MM	$ 959,708,524	31
			4,707

Notes:

[1] The term "Non-Obligor Debtors" is defined in the Motion and excludes the following Debtors:

Apogee Coal Company, LLC; Colony Bay Coal Company; Dakota LLC; Eastern Associated Coal LLC; Gateway Eagle Coal Company, LLC; Heritage Coal Company LLC; Highland Mining Company, LLC; Hobet Mining, LLC; Martinka Coal Company, LLC; Mountain View Coal Company, LLC; Pine Ridge Coal Company, LLC; Rivers Edge Mining, Inc.; and Yankeetown Dock, LLC.

[2] The Noteholders do not disclose the amount of their claims; their motion says only that they are the beneficial holders of "a majority" of the $250 million principal amount of 8.25% Senior Notes (the "Senior Notes") which presumably means less than $175 million, and "a substantial amount" of the 3.25% Convertible Notes (the "Converts"), which presumably means less than $67 million – equalling total holdings of less than $242 million.

[3] UMWA 1974 Pension Plan filed joint and several claims of $959,662,367 at each Debtor, asserting that all or part of the claims are either an administrative or priority claim expense. For the purposes of this chart, we have listed this claim as an unsecured claim at each of the 86 Non-Obligor Debtors.

[4] Certain of the 86 Non-Obligor Debtors are jointly and severally liable for Coal Act liabilities which the Debtors state to be $134.7 million in the Termination Motion. Coal Act liabilities are not included in the calculation of Other Filed Unsecured Claims as such claims were not filed, however, Coal Act liabilities were reported on each respective Debtors' schedules as an unliquidated claim.

[5] Excludes the claims of the Indenture Trustees for the 8.25% Senior Notes and 3.25% Converts.

[6] The Number of Other Creditors is the greater of the (i) the number of creditors that have filed claims against each Debtor or (ii) the number of creditors on each of the Debtor's schedules. Creditors have only been counted once for each Debtor, regardless of the number of claims filed against the Debtor or the number of times the creditor appears on the Debtor's schedules. Excludes Intercompany claims as well as the claims of the Indenture Trustees for the 8.25% Senior Notes and 3.25% Converts.

Source:
Patriot Coal Corporation - Claims Report as of 4/7/13