

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

**Chapter 11
Case No. 12-51502-659
(Jointly Administered)**

**Objection Deadline:
January 7, 2013 at 4:00 p.m.**

**Hearing Date:
January 14, 2013 at 1:30 p.m.**

**Hearing Location:
Courtroom 7 North, St. Louis**

**MOTION FOR ENTRY OF AN ORDER ESTABLISHING
PROCEDURES FOR CLAIMS OBJECTIONS**

WARNING: Any response or objection shall be filed with the Court by January 7, 2013 at 4:00 p.m. Central Time. A copy shall promptly be served upon the undersigned. Failure to file a timely response may result in the Court granting the relief requested prior to the hearing date.

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) respectfully represent:

Relief Requested

1. By this motion (the “**Motion**”), the Debtors seek entry of an order (the “**Order**”) in the form attached hereto as Exhibit A establishing, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 3007, procedures for objections by the Debtors to proofs of claim (the “**Objection Procedures**”) filed in these chapter 11 cases and granting related relief.

Background and Jurisdiction

2. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with the United States Bankruptcy Court for the Southern District of New York (the “**SDNY Bankruptcy Court**”) a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). On December 19, 2012, the SDNY Bankruptcy Court entered an order transferring these chapter 11 cases to this Court (the “**Transfer Order**”) [ECF No. 1789].¹ The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the SDNY Bankruptcy Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

¹ Pursuant to the Transfer Order, all orders previously entered in these chapter 11 cases remain in full force and effect in accordance with their terms notwithstanding the transfer of venue.

3. Additional information about the Debtors' businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder Pursuant to Local Bankruptcy Rule 1007-2, filed on July 9, 2012 [ECF No. 4], which is incorporated herein by reference.

4. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Basis for Relief

5. Through the Objection Procedures, the Debtors seek to establish uniform procedures for filing, prosecuting and resolving claim objections that will minimize the administrative burdens on the Debtors' estates and this Court while protecting the due process rights of all parties in interest.

6. On October 18, 2012, the SDNY Bankruptcy Court entered an order providing that, with limited exceptions, any person or entity (other than a governmental unit)² asserting a claim against the Debtors that arose before the Petition Date was required to submit a proof of claim on or before December 14, 2012 (the "**General Bar Date**") [ECF No. 1388].

7. Approximately 3,600 proofs of claim against one or more of the Debtors were filed by the General Bar Date. Based on the large number of proofs of claim filed in these cases, the Debtors expect to file a substantial number of claim objections. The Debtors believe that the Objection Procedures will facilitate an expeditious and efficient claims resolution process. The Debtors are also hopeful that the Objection Procedures

² The last date for a governmental unit to assert a claim against the Debtors that arose before the Petition Date is January 21, 2013.

will help facilitate settlement of a substantial number of otherwise disputed claims. The Debtors request authority to adopt the following Objection Procedures:

The Objection Procedures

8. The Debtors will periodically file omnibus objections (the “**Omnibus Objections**”) to proofs of claim. The Omnibus Objections shall be served on the attorneys for the official committee of unsecured creditors (the “**Creditors’ Committee**”). As is entirely typical in large chapter 11 cases, more than one proof of claim may be addressed in an objection, and the assertion of a particular ground for objecting to a claim will not preclude the Debtors from asserting additional appropriate grounds for objection, either in the same or subsequent objections. Each Omnibus Objection will either specify the date of the hearing thereon or state that no hearing has yet been scheduled.

9. The Debtors will, as soon as practicable, supplement each Omnibus Objection with customized notices of objection (“**Customized Notices**”) to the persons identified on the first page of each relevant proof of claim (as such addresses or numbers may have been supplemented or amended pursuant to Bankruptcy Rule 2002(g)). For claims that have been transferred, a Customized Notice will be provided only to the person or persons listed as being the owner of such claim on the Debtors’ claims register as of the date the objection is filed.

10. Each Customized Notice will include a copy of the Omnibus Objection but not the exhibits thereto listing all claims subject to the objection thereby. Each Customized Notice will instead identify the particular claim or claims filed by the claimant that are the subject of the Omnibus Objection (but will not include a copy of the

relevant proof of claim, which shall be made available on the Debtors' case information website located at *www.PatriotCaseInfo.com*), state the basis of the objection with respect to each such claim and notify such claimant of the steps that must be taken to contest the objection.

11. The deadline for filing any response to an objection will be 4:00 p.m. Central Time on the date that is 20 calendar days from the date the objection is filed (the "**Response Deadline**"). A response will be considered timely only if, prior to the Response Deadline, it is properly filed in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered on October 18, 2012 (the "**Case Management Order**") [ECF No. 1386] and served so as to be actually received by the following parties: (i) the attorneys for the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and (ii) the attorneys for the Creditors' Committee, Kramer, Levin, Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko.

12. Responses should include: (a) an appropriate caption, including the title and date of the objection to which the response is directed; (b) the name of the claimant, the reference number of the proof of claim (as identified on the claims register maintained on the Debtors' case information website (located at *www.PatriotCaseInfo.com*) and a description of the basis for the amount of the proof of claim; (c) a concise statement setting forth the reasons why the Court should not sustain the objection, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing the objection; (d) copies of any documentation and

other evidence upon which the claimant will rely in opposing the objection at a hearing;³ and (e) the name, address, telephone number and facsimile number of a person authorized to reconcile, settle or otherwise resolve the claim on the claimant's behalf.

13. As soon as practicable after the Response Deadline, the Debtors will submit to the Court, by email, a proposed order sustaining the objections to each claim for which a written response was not timely filed and served as set forth above. The Debtors propose that such order may be entered by the Court without further notice or a hearing.

14. Each contested claim as to which the claimant timely and properly responds to an objection will constitute a separate contested matter, as provided by Bankruptcy Rule 9014. The Debtors may, in their discretion and in accordance with other orders entered in these cases or the provisions of the Bankruptcy Code and the Bankruptcy Rules, seek to settle the priority, amount and validity of such contested claims.

15. The Debtors may also, in their discretion and in consultation with the Court, schedule such claim(s) for a hearing by mailing or otherwise transmitting notice by first-class mail, email or facsimile at least 14 calendar days before the date of the applicable hearing, in each case to the attorneys for the Creditors' Committee and to the address or number identified in the response.⁴

³ If the claimant cannot timely provide such documentation and other evidence, it should explain in the response why it was not possible to timely provide such documentation and other evidence.

⁴ If no such address or number was identified, then notice will be mailed or otherwise transmitted to the address or number identified on the first page of the relevant proof of claim (as such address or number may have been supplemented or amended pursuant to Bankruptcy Rule 2002(g)). The Debtors' right to schedule such claim(s) for a hearing will be without prejudice to any rights of any claimant to seek to set a hearing on such claim(s) consistent with the Bankruptcy Code, the Bankruptcy Rules and orders entered in these cases.

16. For each claim as to which a hearing is scheduled, the Debtors will be required to file any reply by noon Central Time on the day that is two calendar days before the date of the applicable hearing. The filing of a response with respect to a given claim shall not delay the entry of an order sustaining objections to claims for which written responses were not timely filed and served.

Bankruptcy Rule 3007

17. Bankruptcy Rule 3007(c) provides that “[u]nless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined into a single objection.” Bankruptcy Rule 3007(d) allows for the filing of an Omnibus Objection if “all of the claims were filed by the same entity, or the objections are based solely on the grounds that the claims should be disallowed, in whole or in part, because: (1) they duplicate other claims; (2) they have been filed in the wrong case; (3) they have been amended by subsequently filed proofs of claim; (4) they were not timely filed; (5) they have been satisfied or released during the case in accordance with the [Bankruptcy] Code, applicable rules, or a court order; (6) they were presented in a form that does not comply with the applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of noncompliance; (7) they are interests, rather than claims; or (8) they assert priority in an amount that exceeds the maximum amount under [section] 507 of the [Bankruptcy] Code.” Additionally, Bankruptcy Rule 3007(e), among other things, limits the number of objections that can be filed in an Omnibus Objection to 100 claims.

18. The Debtors’ use of Omnibus Objections to consolidate multiple objections to groups of claims into single pleadings will save the Debtors’ estates a

substantial amount of resources, maximizing the returns to all creditors, and will increase the efficiency with which the claims process is administered. To further these objectives, in addition to the grounds provided in Bankruptcy Rule 3007(d), the Debtors request that they be permitted to include in Omnibus Objections those claims that the Debtors believe should be disallowed or reclassified, in whole or in part, because: (a) the amount claimed contradicts the Debtors' books and records;⁵ (b) the claims do not include sufficient documentation to ascertain the validity of the claim; (c) the claims were incorrectly filed as secured, administrative or priority claims; (d) the claims seek recovery of amounts for which the Debtors are not liable; (e) the claims are objectionable under section 502(b) or section 502(e) of the Bankruptcy Code; and (f) the claims are objectionable under section 502(d) of the Bankruptcy Code. Especially in light of the Customized Notices each claimant will receive, the Debtors also request that they be permitted to file Omnibus Objections that contain more than 100 claims.⁶

19. Granting the relief sought herein will not prejudice creditors. By serving Customized Notices, the Debtors will be providing each claimant with individual notice specifically enumerating the basis of the individual objection and notifying the claimant of the steps that must be taken to contest the objection. Accordingly, the Objection

⁵If an objection to any claim(s) is made based on books and records and that objection is not solely based on an accounting reconciliation, such objection shall provide a description of the additional basis or bases for the objection, and if a response is properly and timely filed, unless the claimant agrees otherwise, the objection to such claim(s) shall be treated as a contested matter and the Debtors shall file a supplemental pleading elaborating upon the ground(s) for such objection, and the claimant shall have a further opportunity to respond to such objection.

⁶ The Debtors intend to comply with Bankruptcy Rule 3007(e) in all other respects, including that each Omnibus Objection will (a) state in a conspicuous place that claimants receiving the objection should locate their names and claims in the objection; (b) list claimants alphabetically, provide a cross-reference to claim numbers, and, if appropriate, list claimants by category of claims; (c) state the grounds of the objection to each claim and provide a cross-reference to the pages in the omnibus objection pertinent to the stated grounds; (d) state in the title the identity of the objector and the grounds for the objections; and (e) be numbered consecutively with other omnibus objections filed by the Debtors.

Procedures will save the Debtors a substantial amount of resources, conferring a significant benefit to all of the estates' creditors, while preserving the due process rights of all individual claimants.

Applicable Authority

20. Section 502(a) of the Bankruptcy Code provides that “a claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” See *Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.*, 530 U.S. 1, 7 (2000); *Porges v. Gruntal & Co. (In re Porges)*, 44 F.3d 159, 164 (2d Cir. 1995). Bankruptcy Rule 3001 provides that a timely filed proof of claim constitutes prima facie evidence of the validity and amount of the claim.

21. A debtor may rebut a proof of claim by filing an objection in accordance with Bankruptcy Rule 3007. See *Liddle v. Drexel Burnham Lambert Group, Inc. (In re Drexel Burnham Lambert Group, Inc.)*, 159 B.R. 420, 424 (S.D.N.Y. 1993); *In re Chateaugay Corp.*, 104 B.R. 622, 625 (S.D.N.Y. 1989). Once a debtor has rebutted the proof of claim, the burden shifts to the claimant to satisfy the ultimate burden of persuasion with respect to the validity of the claim. See *In re Be-Mac Transport Co.*, 83 F.3d 1020, 1025 n.3 (8th Cir. 1996) (“Once an objection is made and the burden of overcoming the claim is met, the ultimate burden of persuasion always rests on the claimant.”) (quotations and citations omitted); *West Tech, Ltd. v. Boatmen’s First Nat’l Bank*, 882 F.2d 323, 325 (8th Cir. 1989); accord *Ashford v. Consolidated Pioneer Mortg. (In re Consolidated Pioneer Mortg.)*, 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995), *aff’d*, 91 F.3d 151 (9th Cir. 1996); *In re Jorczak*, 314 B.R. 474, 481 (Bankr. D. Conn. 2004); *In re*

Rockefeller Ctr. Props. & RCP Assocs., 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000); *In re St. Johnsbury Trucking Co.*, 206 B.R. 318, 323 (Bankr. S.D.N.Y. 1997).

22. The Court has authority to approve the Objection Procedures pursuant to section 105(a) of the Bankruptcy Code. Section 105(a) provides, in pertinent part, that a bankruptcy court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” Under section 105(a) of the Bankruptcy Code, the Court has expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of the debtor’s assets. *See Easton v. Easton (In re Easton)*, 882 F.2d 312, 315 (8th Cir. 1989) (“Section 105(a) of the Bankruptcy Code provides bankruptcy courts with broad general powers to grant such relief as is necessary to effectuate the provisions of the Bankruptcy Code.”); *In re Keene Corp.*, 168 B.R. 285, 292 (Bankr. S.D.N.Y. 1994) (“Under 11 U.S.C. § 105(a), the Court can ‘use its equitable powers to assure the orderly conduct of the reorganization proceedings.’” (quoting *In re Neuman*, 71 B.R. 567, 571 (S.D.N.Y. 1987)); *see also Chinichian v. Campolongo (In re Chinichian)*, 784 F.2d 1440, 1443 (9th Cir. 1986) (“Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.”) (citation omitted)).

23. It is appropriate for the Court, pursuant to section 105(a) of the Bankruptcy Code, to establish procedures for omnibus objections to proofs of claims in these cases due to the significant volume of claims that will need to be reconciled. Similar relief is frequently granted in large chapter 11 cases. *See, e.g., In re Duke & King Acquisition Corp.*, No. 10-38652 (GFK) (Bankr. D. Minn. July 3, 2012) (authorizing omnibus objection procedures substantially similar to those proposed here); *In re AMR*

Corp., No. 11-15463 (SHL) (Bankr. S.D.N.Y. Sept. 21, 2012) (same); *In re Eastman Kodak Co.*, No. 12-10202 (ALG) (Bankr. S.D.N.Y. Sept. 4, 2012) (same); *In re Seahawk Drilling, Inc.*, No. 11-20089 (RSS) (Bankr. S.D. Tex. June 28, 2011) (same); *In re Innkeepers USA Trust*, No. 10-13800 (SCC) (Bankr. S.D.N.Y. Mar. 29, 2011) (same); *In re Ames Dept. Stores, Inc.*, No. 01-42217 (REG) (Bankr. S.D.N.Y. Sept. 27, 2010) (same); *In re The Reader's Digest Ass'n, Inc.*, No. 09-23529 (RDD) (Bankr. S.D.N.Y. Mar. 9, 2010) (same); *In re Circuit City Stores, Inc.*, No. 08-35653 (KRH) (Bankr. E.D. Va. Mar. 31, 2009) (same). The Debtors believe that it is in the best interests of their estates, their creditors and all other parties in interest to establish the Objection Procedures. The Objection Procedures are designed to ensure that each proof of claim is carefully reviewed and that all claimants receive appropriate due process protection, while at the same time facilitating the rapid, efficient and economic resolution of the Debtors' objections. Further, the Objection Procedures are designed to forego hearings on many claims, instead allowing the Debtors and claimants to enter into meaningful negotiations after the filing of an omnibus objection and a response.

24. As discussed *supra* ¶ 17, the Objection Procedures may not be wholly consistent with the technical requirements of Bankruptcy Rule 3007. However, Bankruptcy Rule 3007 itself allows the Court to implement alternative procedures. Specifically, Bankruptcy Rule 3007(c) provides that “*unless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined in a single objection.*” (emphasis added). Moreover, this Court and other bankruptcy courts in this district have granted omnibus objection motions that were predicated on grounds similar to those requested by the Debtors herein. *See, e.g., In re*

ContinentalAFA Dispensing Co., No. 08-45921-659 (Bankr. E.D. Mo. Jan. 31, 2012) [ECF No. 785] (granting liquidating trust's omnibus objection to claims that were inconsistent with debtors' books and records, did not include sufficient documentation, were incorrectly filed as secured or priority claims or were objectionable under section 502(d) of the Bankruptcy Code); *In re Falcon Products, Inc.*, No. 05-41108-399 (Bankr. E.D. Mo. Mar. 21, 2007) [ECF No. 1999] (granting debtor's omnibus objection to claims that were misfiled as secured claims); *id.* (Bankr. E.D. Mo. July 27, 2006) [ECF No. 1389] (granting in part debtor's omnibus objection to claims that were inconsistent with debtor's books and records).

25. The requested relief is necessary in these cases because, as explained herein, the sheer size of the claims pool will prevent the Debtors from filing individualized objections as contemplated by Bankruptcy Rule 3007. Omnibus Objections will render the claims process more efficient from the perspective of both the Debtors and the Court, without sacrificing the rights of any individual claimants. Inasmuch as some anticipated claims are of the variety that Rule 3007(c) would otherwise subject to an individualized objection, *see supra* ¶ 16, the Objection Procedures set forth herein provide a sufficient alternative because the holder of each such claim will receive a Customized Notice, thereby preserving such holder's due process rights.

26. The Debtors believe that the Objection Procedures are consistent with the protections granted to claimants under the Bankruptcy Code and the Bankruptcy Rules. The Debtors therefore request, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 3007, entry of an Order authorizing the Objection Procedures and granting such other and further relief as may be appropriate.

27. The Objection Procedures described herein are without prejudice to the right of the Debtors to seek an order of this Court approving additional or different procedures with respect to specific claims or categories of claims.

Notice

28. Consistent with the Case Management Order, the Debtors will serve notice of this Motion on (a) the Core Parties and (b) the Non-ECF Service Parties (as those terms are defined in the Case Management Order). All parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically receive notice of this Motion through the ECF system no later than the day after its filing with the Court. A copy of this Motion and any order approving it will also be made available on the Debtors' case information website (located at *www.PatriotCaseInfo.com*). In light of the relief requested, the Debtors submit that no further notice is necessary. Pursuant to paragraph 22 of the Case Management Order, if no objections are timely filed and served in accordance therewith, the relief requested herein may be entered without a hearing.

WHEREFORE the Debtors respectfully request the Court grant the Debtors the relief requested herein and such other and further relief as is just and proper.

Dated: December 31, 2012
St. Louis, Missouri

Respectfully submitted,

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-and-

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PROPOSED ATTORNEYS FOR THE DEBTORS

Exhibit A

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

**Chapter 11
Case No. 12-51502-659
(Jointly Administered)**

Re: Docket No. []

ORDER ESTABLISHING PROCEDURES FOR CLAIMS OBJECTIONS

Upon the motion (the “**Motion**”)¹ of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) for entry of an order establishing, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 3007, procedures for objections by the Debtors to proofs of claim (the “**Objection Procedures**”), as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and Local Rule 9.01(B)(1) of the United States District Court for the Eastern District of Missouri; and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion having been provided in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures entered in these cases on October 18, 2012 (the “**Case Management**

¹Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Motion.

Order”); and it appearing that no other or further notice need be provided; [and there being no objections to the Motion;] and the Court having reviewed the Motion [and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”)]; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having determined that the legal and factual bases set forth in the Motion [and at the Hearing] establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED as set forth herein.
2. The Debtors are authorized to file objections to claims in accordance with

the following procedures:

(a) Multiple proofs of claim may be addressed in a single objection (an “**Omnibus Objection**”). The Omnibus Objections shall be served on the attorneys for the official committee of unsecured creditors (the “**Creditors’ Committee**”). Each claim to which the Debtors object, as well as the grounds for objection, shall be identified within the text of the objection or within exhibits annexed thereto.

(b) Each Omnibus Objection shall either (i) specify the date of the hearing thereon or (ii) state that no hearing has yet been scheduled.

(c) A customized notice of objection (a “**Customized Notice**”) shall, as soon as practicable, be delivered by first-class mail, email or facsimile, in each case to the persons identified on the first page of each relevant proof of

claim (as such addresses or numbers may have been supplemented or amended pursuant to Bankruptcy Rule 2002(g)). However, if a claim has been transferred, the Customized Notice shall be given only to the person or persons identified as being the owner of such claim on the claims register maintained by the Debtors' claims agent as of the date the objection is filed.

(d) Each Customized Notice shall include a copy of the Omnibus Objection but not the exhibits thereto listing all claims subject to the objection thereby. Each Customized Notice shall instead identify the particular claim or claims filed by the claimant that are the subject of the Omnibus Objection (but shall not include a copy of the relevant proof of claim, which shall be made available on the Debtors' case information website located at *www.PatriotCaseInfo.com*), state the basis of the objection with respect to each such claim and notify such claimant of the steps that must be taken to contest the objection.

(e) The assertion of a particular ground for objecting to a claim shall not preclude the Debtors from asserting additional appropriate grounds for objecting to that claim, either in the same or subsequent objections.

3. In addition to the grounds provided in Bankruptcy Rule 3007(d), the Debtors may include in Omnibus Objections those claims that the Debtors believe should be disallowed or reclassified, in whole or in part, because: (a) the amount claimed contradicts the Debtors' books and records;² (b) the claims do not include sufficient

²If an objection to any claim(s) is made based on books and records and that objection is not solely based on an accounting reconciliation, such objection shall provide a description of the additional basis or bases for the objection, and if a response is properly and timely filed, unless the claimant agrees otherwise, the objection to such claim(s) shall be treated as a contested matter and the Debtors shall file a

documentation to ascertain the validity of the claim; (c) the claims were incorrectly filed as secured, administrative or priority claims; (d) the claims seek recovery of amounts for which the Debtors are not liable; (e) the claims are objectionable under section 502(b) or section 502(e) of the Bankruptcy Code; and (f) the claims are objectionable under section 502(d) of the Bankruptcy Code.

4. The Debtors may file Omnibus Objections that contain more than 100 claims.

5. The deadline to file a response to an objection (the “**Response Deadline**”) shall be 4:00 p.m. Central Time on the date that is 20 calendar days from the date that the objection is filed. A response will be considered timely only if, prior to the Response Deadline, it is properly filed in accordance with the Case Management Order and served so as to be actually received by the following parties: (i) the attorneys for the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and (ii) the attorneys for the Creditors’ Committee, Kramer, Levin, Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko.

6. No response shall be accepted or considered by the Court unless it includes, among other things, the following:

- (a) an appropriate caption, including the title and date of the objection to which the response is directed;
- (b) the name of the claimant, the reference number of the proof of claim (as identified on the claims register maintained on the Debtors’ case

supplemental pleading elaborating upon the ground(s) for such objection, and the claimant shall have a further opportunity to respond to such objection.

information website (located at *www.PatriotCaseInfo.com*)) and a description of the basis for the amount of the proof of claim;

(c) a concise statement setting forth the reasons why the Court should not sustain the objection, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing the objection;

(d) copies of any documentation and other evidence upon which the claimant will rely in opposing the objection at a hearing;³ and

(e) the name, address, telephone number and facsimile number of a person authorized to reconcile, settle or otherwise resolve the claim on the claimant's behalf.

7. As to those claims for which a proper and timely response is not filed and served in compliance with the foregoing procedures, the Debtors will submit to the Court, by email, a proposed order sustaining the objections to each claim for which a written response was not timely filed and served as set forth above, which the Court shall enter without further notice or a hearing. A failure by a claimant to file a proper and timely response in compliance with the procedures specified herein shall be deemed a waiver by such claimant of all rights to respond to such objection, and consent by such claimant to the relief requested in the objection with respect to such claimant's proof of claim.

8. To the extent that a response is filed with respect to any claim to which the Debtors have objected, each such claim shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court with respect to

³ If the claimant cannot timely provide such documentation and other evidence, the claimant shall provide a detailed explanation in the response as to why it was not possible to timely provide such documentation and other evidence.

an objection shall be deemed a separate order with respect to each proof of claim. The filing of a response with respect to a given claim shall not delay the entry of an order sustaining the objections to each claim for which a proper response has not timely been filed and served.

9. If a claimant files a timely response that conforms with all of the requirements of this Order, the Debtors may:

(a) in their discretion, and in accordance with other orders entered in these cases or the provisions of the Bankruptcy Code and the Bankruptcy Rules, seek to settle with the relevant claimants the priority, amount and validity of such contested claim;

(b) in their discretion, but in consultation with the Court, schedule such claim for a hearing and adjourn any hearing previously scheduled.⁴ The Debtors shall mail or otherwise transmit written notice of the scheduling of any such hearing at least 14 calendar days before the date of such hearing to (i) each respondent whose response will be considered at such hearing and (ii) the attorneys for the Creditors' Committee. Notice may be by first-class mail, email or facsimile, in each case (i) to an address or number identified in the response or (ii) if no such address or number was identified, then to an address or number identified on the first page of the relevant proof of claim (as such address or number may have been supplemented or amended pursuant to Bankruptcy Rule 2002(g)); and

⁴The Debtors' right to schedule such claim(s) for a hearing shall be without prejudice to any rights of any claimant to seek to set a hearing on such claim(s) consistent with the Bankruptcy Code, the Bankruptcy Rules and orders entered in these cases.

(c) for each claim as to which a hearing is scheduled, file a reply with the Court by noon Central Time on the day that is at least two calendar days before the date of the applicable hearing.

10. The notice procedures set forth herein are hereby decreed adequate and sufficient under the Bankruptcy Code and the Bankruptcy Rules.

11. The procedures set forth herein are without prejudice to the right of the Debtors to seek an order of this Court approving additional or different procedures with respect to specific claims or categories of claims.

12. This Order shall govern claims objections procedures and omnibus objections notwithstanding any Bankruptcy Rules or the Local Rules of Bankruptcy Procedures for the United States Bankruptcy Court for the Eastern District of Missouri (the “**Local Rules**”), including Local Rule 3007.

13. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

Dated: St. Louis, Missouri

_____, 2013

THE HONORABLE KATHY A. SURRATT-STATES
UNITED STATES BANKRUPTCY JUDGE