

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MISSOURI**

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In re	)	
	)	
	)	<b>Chapter 11</b>
PATRIOT COAL CORPORATION, <i>et al.</i> ,	)	<b>Case No. 12-51502-659</b>
	)	<b>(Jointly Administered)</b>
Debtors.	)	
	)	<b>Hearing Date:</b>
	)	<b>April 23, 2013 at 10:00am</b>
	)	<b>(prevailing Central Time)</b>
	)	
	)	<b>Hearing Location:</b>
	)	<b>Courtroom 7 North</b>
	)	
	)	<b>Re: ECF No. 3690</b>

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**NOTEHOLDERS' OBJECTION TO DEBTORS' MOTION TO EXPEDITE DEBTORS'  
MOTION TO (I) COMPEL AURELIUS CAPITAL MANAGEMENT, LP,  
KNIGHTHEAD CAPITAL MANAGEMENT, LLC AND THEIR COUNSEL TO  
COMPLY WITH BANKRUPTCY RULE 2019 AND (II) PROHIBIT FURTHER  
PARTICIPATION IN THESE CASES BY AURELIUS CAPITAL MANAGEMENT, LP,  
KNIGHTHEAD CAPITAL MANAGEMENT, LLC AND THEIR COUNSEL PENDING  
COMPLIANCE WITH BANKRUPTCY RULE 2019**

Aurelius Capital Management, LP (“**Aurelius**”), and Knighthead Capital Management, LLC (“**Knighthead**”), solely on behalf of certain funds and accounts that they manage or advise and that hold a substantial amount of certain Patriot Coal Corporation (“**Patriot**”) notes (collectively, the “**Noteholders**”),<sup>1</sup> as creditors and parties in interest in the above-captioned jointly-administered Chapter 11 cases, file this Objection to the Motion To Expedite Debtors’

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<sup>1</sup> The notes are the 3.25% Convertible Senior Notes due 2013 (the “**3.25% Notes**”) and the 8.25% Senior Notes due 2018 (the “**8.25% Notes**”). Entities managed by Aurelius or Knighthead are, collectively, the beneficial owners of a majority of the 8.25% Notes. Entities managed by Aurelius alone are also the beneficial owners of a substantial amount of the 3.25% Notes. None of the Noteholders has any fiduciary duties to any party in interest in this case, nor is any Noteholder an insider of Patriot or any of its subsidiaries or affiliates.

Motion To (I) Compel Aurelius Capital Management, LP, Knighthood Capital Management, LLC And Their Counsel To Comply With Bankruptcy Rule 2019 And (II) Prohibit Further Participation In These Cases By Aurelius Capital Management, LP, Knighthood Capital Management, LLC And Their Counsel Pending Compliance With Bankruptcy Rule 2019 (Dkt. 3690) (“**Rule 2019 Emergency Motion**”). In support thereof they state as follows:

1. The Debtors have made a mountain out of an anthill. They have filed a twelve-page Motion To (I) Compel Aurelius Capital Management, LP, Knighthood Capital Management, LLC And Their Counsel To Comply With Bankruptcy Rule 2019 And (II) Prohibit Further Participation In These Cases By Aurelius Capital Management, LP, Knighthood Capital Management, LLC And Their Counsel Pending Compliance With Bankruptcy Rule 2019 (“**Rule 2019 Motion**”) and filed the Rule 2019 Emergency Motion to expedite hearing on the Rule 2019 Motion, waive the scheduling provisions of the Case Management Order, and add another motion on an agenda that the Debtors asserted two weeks ago was “already full with a number of important time-sensitive matters that we anticipate will occupy the entire day.” Dkt. 3538 at 2. It is hard to understand why the Debtors would want to burden the Court with the Debtors’ 2019 Emergency Motion, especially on an emergency basis. It is even more troubling that the Debtors devoted the estates’ time and money to these unnecessary motions, which impose burdens on the Court and the parties. As we have noted elsewhere, the fees expended by professionals in this case are excessive relative to its size. Noteholders’ Objection To Debtors’ Second Motion For An Order Extending Debtors’ Exclusive Periods Within Which To File A Plan Of Reorganization And Solicit Votes Thereon (Dkt. 3673) ¶ 10 (Debtors have already accrued advisor fees of \$46 million). These motions represent a misallocation of the Debtors’ resources and mismanagement of the case.

2. The Debtors had no need to proceed by motion, when a simple telephone call to Noteholders' counsel would have sufficed to alert counsel to Debtors' request to file the Rule 2019 Statements. Counsel for the Noteholders spoke five times with Debtors' counsel in the five days before the Rule 2019 Motion was filed (including twice on the day itself), and exchanged multiple emails during the same time. Debtors' counsel did not mention anything about Rule 2019 or the Motions that the Debtors were about to file.

3. The Noteholders will remedy this oversight promptly and file appropriate statements under Bankruptcy Rule 2019.

4. We can see no reason for the Court to add the Rule 2019 Emergency Motion to an already crowded docket, especially in a case with so many pending motions that bear more directly on substantive issues in the case. We expect that the Rule 2019 Motion will be moot before the hearing on April 23.

### **CONCLUSION**

For all these reasons, the Court should deny the Rule 2019 Emergency Motion.

*[Signature page follows]*

Dated: April 19, 2013

Respectfully submitted,

By: /s/ Alan D. Strasser  
Lawrence S. Robbins\*  
Alan D. Strasser\*  
Ariel N. Lavinbuk\*  
Mark A. Hiller\*  
ROBBINS, RUSSELL, ENGLERT, ORSECK,  
UNTEREINER & SAUBER LLP  
1801 K Street, N.W., Suite 411L  
Washington, DC 20006  
Tel. (202) 775-4500  
\* *admitted pro hac vice*

Steven Goldstein  
ARN: 24807MO and 24807 MO  
GOLDSTEIN & PRESSMAN, P.C.  
10326 Old Olive Street Road  
St. Louis, MO 63141-5922  
Tel. (314) 727-1717  
Fax (314) 727-1447  
sg@goldsteinpressman.com

*Attorneys for the Noteholders*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing **NOTEHOLDERS' OBJECTION TO DEBTORS' MOTION TO EXPEDITE DEBTORS' MOTION TO (I) COMPEL AURELIUS CAPITAL MANAGEMENT, LP, KNIGHTHEAD CAPITAL MANAGEMENT, LLC AND THEIR COUNSEL TO COMPLY WITH BANKRUPTCY RULE 2019 AND (II) PROHIBIT FURTHER PARTICIPATION IN THESE CASES BY AURELIUS CAPITAL MANAGEMENT, LP, KNIGHTHEAD CAPITAL MANAGEMENT, LLC AND THEIR COUNSEL PENDING COMPLIANCE WITH BANKRUPTCY RULE 2019** was filed on April 19, 2013 using the Court's CM/ECF system, which sent a copy to all parties receiving electronic notices in this case.

/s/ Alan D. Strasser

Alan D. Strasser