

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

Hearing Date: March 25, 2014

Hearing Time: 10:00 a.m. Central

Location: Courtroom 7-N, St. Louis

**REORGANIZED DEBTORS' OBJECTION TO CLAIMS
FILED BY ALPHA ENGINEERING SERVICES, INC.**

Patriot Coal Corporation and its affiliates (the "Debtors" or the "Reorganized Debtors"), pursuant to 11 U.S.C. § 502 and Fed. R. Bankr. P. 3007, respectfully file this Objection to Claims filed by Alpha Engineering Services, Inc. ("Alpha Engineering") (the "Objection"). In support of this Objection, the Reorganized Debtors show the Court as follows:

Relief Requested

1. By this Objection, the Reorganized Debtors object to certain claims listed on Exhibits A and B attached hereto (the "Claims") because certain of the Claims assert secured amounts based on mechanic's liens that were not timely filed. Other Claims are duplicative and should be disallowed. The Reorganized Debtors request entry of an order, pursuant to Section 502 of the Bankruptcy Code and Fed. R. Bankr. P. 3007, reclassifying and/or disallowing the Claims.

2. Any response to this Objection should include, among other things, (i) an appropriate caption, including the title and date of this Objection; (ii) the name of the claimant, both the EDMO and GCG claim numbers of the claim that the Reorganized Debtors are seeking

to disallow, and a description of the basis for the amount claimed; (iii) a concise statement setting forth the reasons why the Court should not sustain this Objection, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection; (iv) copies of any documentation and other evidence which the claimant will rely upon in opposing this Objection at a hearing; and (v) 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. A claimant that cannot timely provide such documentation and other evidence should provide a detailed explanation as to why it is not possible to timely provide such documentation and other evidence.

Jurisdiction

3. This Court has jurisdiction over this Objection under 28 U.S.C. § 1334. Venue of this proceeding is proper pursuant to 28 U.S.C. § 1409. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. Ninety-nine of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on July 9, 2012 in the United States Bankruptcy Court for the Southern District of New York.

6. On December 19, 2012, these Debtors' cases were transferred to the United States Bankruptcy Court for the Eastern District of Missouri [Dkt. No. 1789].

7. The bar date for filing proofs of claim against these Debtors was December 14, 2012 [Dkt. No. 1388].

8. On March 1, 2013, the Court entered its Order Establishing Procedures for Claims Objections [Dkt. No. 3021].

9. Debtors Brody Mining, LLC and Patriot Ventures LLC filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on September 23, 2013 in this Court. The bar date for filing proofs of claim against these Debtors was October 24, 2013.

10. On December 17, 2013, the Court confirmed the Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code [Dkt. No. 5169] (the “Plan”). The Effective Date occurred on December 18, 2013.

Objection and Argument

11. The Reorganized Debtors object to certain of the Claims identified on Exhibit A because they assert secured amounts that are based on untimely filed mechanic’s liens.

12. Specifically, the Reorganized Debtors object to E.D. Mo. Claim No. 460-2, GCG Claim No. 4064, asserted in the secured amount of \$214,010.28, against Debtor Kanawha Eagle Coal, LLC; E.D. Mo. Claim No. 458, GCG Claim No. 523, asserted in the secured amount of \$13,846.67 against Debtor Eastern Associated Coal, LLC; and E.D. Mo. Claim No. 459, GCG Claim No. 524, asserted in the secured amount of \$34,715.12 against Debtor Panther LLC (collectively, the “Secured Claims”).

13. Each of these allegedly Secured Claims purports to be secured by a mechanic’s lien. Pursuant to West Virginia Code §§ 38-2-1, 38-2-8, such liens must be filed in the office of the clerk of the county court of the county where the property is situated within 100 days of

completion of work. However, according to the Reorganized Debtors' records, each lien was filed after the statutory deadline. *See* Declarations of Cecil Wayne Elkins, John F. Ewell, Jr., Gary Joe Lane, and Kevin Houston, incorporated herein by reference as Exhibits C, D, E and F. The Secured Claims should thus be reclassified as general unsecured claims.

14. The Reorganized Debtors further propose to modify the amount of E.D. Mo. Claim No. 458, GCG Claim No. 523, because \$675.00 has already been paid on this Claim. *See* Declaration of Cecil Wayne Elkins, Exhibit C. The total amount of this Claim should be \$13,171.67, rather than \$13,846.67.

15. The Reorganized Debtors further propose to modify the amount of E.D. Mo. Claim No. 459, GCG Claim No. 524, because the Reorganized Debtors have no record of receiving certain invoices in the total amount of \$15,676.33. *See* Declaration of Cecil Wayne Elkins, Exhibit C. The total amount of that Claim should be \$19,038.78, rather than \$34,715.12.

16. In addition, the Reorganized Debtors object to E.D. Mo. Claim Nos. 947 and 949, GCG Claim Nos. 1494 and 1496, because they assert secured amounts against Debtor Patriot Coal Corporation, which are duplicative of Alpha Engineering's purported Secured Claims against Debtors Eastern Associated Coal, LLC and Panther LLC (the "Duplicative Claims"). Alpha Engineering has no basis to maintain any claim, secured or otherwise, against Patriot Coal Corporation. Rather, Alpha Engineering's Claims are appropriately filed against the Debtors for which Alpha Engineering performed services. In this case, those Debtors are Eastern Associated Coal, LLC and Panther LLC. *See* Declarations of John F. Ewell, Jr. and Gary Joe Lane, Exhibits D and E. The Reorganized Debtors thus request that the Court disallow the Duplicative Claims.

17. The Reorganized Debtors object to the Claims identified on Exhibit B (the "Amended Claims") because those Claims have been amended or duplicated by other claims,

and therefore the Amended Claims should be disallowed. Specifically, E.D. Mo. Claim Nos. 460-1, 948-1, 948-2, 948-3, and 948-4, GCG Claim Nos. 525, 1495, 4065, 4215, and 4219, should be disallowed because, taken in succession, each such Claim purports to amend the previous claim (the “Amended Claims”). The final Amended Claim reduces the claim to \$0.00. However, to the extent that any of the Amended Claims is construed to stand alone without amendment, or to contain an unliquidated component reserving Alpha Engineering’s rights to further amend such Claims, the Reorganized Debtors request that the Court disallow the Amended Claims.

WHEREFORE, the Reorganized Debtors respectfully request that this Court:

- (a) reclassify the Secured Claims to general unsecured claims in the amounts shown on Exhibit A;
- (b) disallow the Amended Claims identified on Exhibit B; and
- (c) grant such other and further relief as is just and proper.

Dated: March 21, 2014
St. Louis, Missouri

Respectfully submitted,
BRYAN CAVE LLP

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-and-

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Exhibit A - Books & Records/Wrong Priority/Wrong Amount Claims

Omnibus Objection to Claims

**Patriot Coal Corporation
12-51502 (KSS)**

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

SEQ NO.	CLAIM(S) TO BE MODIFIED			MODIFIED AMOUNT AND CLASSIFICATION	
	NAME	GCG CLAIM NO.	ED MO CLAIM NO.		CLAIMED AMOUNT AND CLASSIFICATION
1	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 11/13/12 ED MO Date Filed: 02/25/13 Debtor: EASTERN ASSOCIATED COAL, LLC	523	458-1	Secured: \$13,846.67	Unsecured: \$13,171.67
2	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 11/13/12 ED MO Date Filed: 02/25/13 Debtor: PANTHER LLC	524	459-1	Secured: \$34,715.12	Unsecured: \$19,038.78
3	ALPHA ENGINEERING SERVICES INC 216 BUSINESS STREET BECKLEY, WV 25801 Date Filed: 05/31/13 ED MO Date Filed: 02/27/13 Debtor: KANAWHA EAGLE COAL, LLC	4064	460-2	Secured: \$214,010.28	Unsecured: \$214,010.28

Exhibit B - Books & Records Claims

Omnibus Objection to Claims

**Patriot Coal Corporation
12-51502 (KSS)**

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

SEQ NO.	CLAIM(S) TO BE DISALLOWED			
	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	CLAIM AMOUNT
1	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 11/13/12 ED MO Date Filed: 02/25/13 Debtor: KANAWHA EAGLE COAL, LLC	525	460-1	Secured: \$214,010.28
2	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 12/11/12 ED MO Date Filed: 02/25/13 Debtor: PATRIOT COAL CORPORATION	1494	947-1	Secured: \$34,715.12
3	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 12/11/12 ED MO Date Filed: 02/25/13 Debtor: PATRIOT COAL CORPORATION	1495	948-1	Secured: \$214,010.28
4	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 12/11/12 ED MO Date Filed: 02/25/13 Debtor: PATRIOT COAL CORPORATION	1496	949-1	Secured: \$13,846.67
5	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 10/29/13 ED MO Date Filed: 11/08/13 Debtor: PATRIOT COAL CORPORATION	4215	948-3	Unsecured: \$215,321.53
6	ALPHA ENGINEERING SERVICES INC 216 BUSINESS ST BECKLEY, WV 25801 Date Filed: 11/07/13 ED MO Date Filed: 11/13/13 Debtor: PATRIOT COAL CORPORATION	4219	948-4	Unsecured: \$0.00
7	ALPHA ENGINEERING SERVICES INC 216 BUSINESS STREET BECKLEY, WV 25801 Date Filed: 05/31/13 ED MO Date Filed: 02/27/13 Debtor: PATRIOT COAL CORPORATION	4065	948-2	Secured: \$214,010.28

* Denotes an unliquidated component.

EXHIBIT C

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**DECLARATION OF CECIL WAYNE ELKINS IN SUPPORT OF
REORGANIZED DEBTORS' OBJECTION TO CLAIMS FILED BY
ALPHA ENGINEERING SERVICES, INC.**

Cecil Wayne Elkins declares, pursuant to 28 U.S.C. § 1746, to the best of his knowledge and based upon the documents available to him, as follows:

1. I am the Vice President – Materials Management of Patriot Coal Corporation.
2. In connection with my employment, I am familiar with business dealings between the Debtors and Alpha Engineering Services, Inc. (“Alpha Engineering”).
3. The Debtors and Alpha Engineering maintained a business relationship in which Alpha Engineering would provide professional consulting engineering services to certain of the Debtors’ mines.
4. Particular projects, including the price, scope of work, and dates worked, were outlined in purchase orders and invoices.
5. Alpha Engineering filed mechanic’s liens to secure payment for certain projects.

The projects that are the basis for the liens are described in the liens, attached to Alpha Engineering’s proofs of claim.

6. The Debtors paid \$675.00 to Alpha Engineering on or about May 20, 2011, through the Debtors' check no. 253821, reducing the amount owed on E.D. Mo. Claim No. 458, GCG Claim No. 523, to \$13,171.67 from \$13,846.67.

7. The Debtors have no record of invoices relating to a portion of the amounts claimed in E.D. Mo. Claim No. 459, GCG Claim No. 524, nor does that Claim provide information sufficient for the Debtors to ascertain the nature or validity of the amounts asserted. Specifically, E.D. Mo. Claim No. 459, GCG Claim No. 524, asserts \$34,715.12; however, the Debtors have no record of invoices totaling \$15,676.33, and the proper amount of the Claim should be reduced to \$19,038.78.

8. I declare under penalty of perjury that the foregoing is true and correct. Executed on March 19, 2014.

/s/ Cecil Wayne Elkins
Cecil Wayne Elkins

EXHIBIT D

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**DECLARATION OF JOHN F. EWELL, JR. IN SUPPORT OF
REORGANIZED DEBTORS' OBJECTION TO CLAIMS
FILED BY ALPHA ENGINEERING SERVICES, INC.**

John F. Ewell, Jr. declares, pursuant to 28 U.S.C. § 1746, to the best of his knowledge and based upon the documents available to him, as follows:

1. I am the Senior Manager of Engineering at the Federal 2 Mine of Eastern Associated Coal, LLC.
2. Alpha Engineering performed certain services for Debtor Eastern Associated Coal, LLC.
3. According to records regularly kept in the ordinary course of business, as well as my personal knowledge, the last date of work on the projects identified in E.D. Mo. Claim No. 458, GCG Claim No. 523, was June 15, 2012.
4. Records that I have referred to in connection with the preparation of this Declaration were made at or near the time of the matters set forth in such records, by or from information transmitted by a person with knowledge of those matters, and were made and kept in the course of the regularly conducted business activities of Patriot Coal Corporation and its

affiliates. It is the regular practice of those companies to make such records. I am the custodian of such records.

5. The lien corresponding to these projects was filed on October 10, 2012.

6. I declare under penalty of perjury that the foregoing is true and correct. Executed on March 19, 2014.

/s/ John F. Ewell, Jr.
John F. Ewell, Jr.

EXHIBIT E

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

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

**DECLARATION OF GARY JOE LANE IN SUPPORT OF
REORGANIZED DEBTORS' OBJECTION TO CLAIMS
FILED BY ALPHA ENGINEERING SERVICES, INC.**

Gary Joe Lane declares, pursuant to 28 U.S.C. § 1746, to the best of his knowledge and based upon the documents available to him, as follows:

1. I am the Engineering Technician at the American Eagle mine of Panther LLC.
2. Alpha Engineering performed certain services for Panther LLC.
3. According to records regularly kept in the ordinary course of business, as well as my personal knowledge, the last date of work on the projects identified in E.D. Mo. Claim No. 459, GCG Claim No. 524, was June 25, 2012.
4. Records that I have referred to in connection with the preparation of this Declaration were made at or near the time of the matters set forth in such records, by or from information transmitted by a person with knowledge of those matters, and were made and kept in the course of the regularly conducted business activities of Patriot Coal Corporation and its affiliates. It is the regular practice of those companies to make such records. I am the custodian of such records.

5. The liens corresponding to these projects were filed on October 11 and October 12, 2012.

6. I declare under penalty of perjury that the foregoing is true and correct. Executed on March 18, 2014.

/s/ Gary Joe Lane
Gary Joe Lane

EXHIBIT F

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

**DECLARATION OF KEVIN HOUSTON IN SUPPORT OF
REORGANIZED DEBTORS' OBJECTION TO CLAIMS
FILED BY ALPHA ENGINEERING SERVICES, INC.**

Kevin Houston declares, pursuant to 28 U.S.C. § 1746, to the best of his knowledge and based upon the documents available to him, as follows:

1. I am currently the Director of Engineering for Midwest Operations of Patriot Coal Corporation.

2. I worked as the Manager of Engineering at Kanawha Eagle Coal, LLC, from April 2012 through September 2013.

3. According to records regularly kept in the ordinary course of business, as well as my personal knowledge, the last date of work on the projects identified in E.D. Mo. Claim No. 460-2, GCG Claim No. 4064, was June 26, 2012.

4. Records that I have referred to in connection with the preparation of this Declaration were made at or near the time of the matters set forth in such records, by or from information transmitted by a person with knowledge of those matters, and were made and kept in the course of the regularly conducted business activities of Patriot Coal Corporation and its

affiliates. It is the regular practice of those companies to make such records. I am the custodian of such records.

5. The liens corresponding to these projects were filed on October 10 and October 12, 2012.

6. I declare under penalty of perjury that the foregoing is true and correct. Executed on March 20, 2014.

/s/ Kevin Houston
Kevin Houston