

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
SOUTHERN AIR HOLDINGS, INC.,	:	Case No. 12-12690 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 26-0816605	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
CARGO 360, INC.,	:	Case No. 12-12691 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 20-1974233	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
SOUTHERN AIR INC.,	:	Case No. 12-12692 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 31-1642187	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
AIR MOBILITY INC.,	:	Case No. 12-12693 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 20-0493824	:	
-----X	:	



-----X	:	
<i>In re</i>	:	Chapter 11
21110 LLC,	:	Case No. 12-12694 ()
Debtor.	:	
Tax I.D. No. 20-2603761	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21111 LLC,	:	Case No. 12-12695 ()
Debtor.	:	
Tax I.D. No. 04-3738100	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21221 LLC,	:	Case No. 12-12696 ()
Debtor.	:	
Tax I.D. No. 20-5621567	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21550 LLC,	:	Case No. 12-12697 ()
Debtor.	:	
Tax I.D. No. 04-3738103	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21576 LLC,	:	Case No. 12-12698 ()
Debtor.	:	
Tax I.D. No. 20-8396341	:	
-----X	:	

-----X	:	
<i>In re</i>	:	Chapter 11
21590 LLC,	:	Case No. 12-12699 ()
Debtor.	:	
Tax I.D. No. 04-3738105	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21787 LLC,	:	Case No. 12-12700 ()
Debtor.	:	
Tax I.D. No. 20-2590617	:	
-----X	:	
<i>In re</i>	:	Chapter 11
21832 LLC,	:	Case No. 12-12701 ()
Debtor.	:	
Tax I.D. No. 20-5577893	:	
-----X	:	
<i>In re</i>	:	Chapter 11
23138 LLC,	:	Case No. 12-12702 ()
Debtor.	:	
Tax I.D. No. 06-1777192	:	
-----X	:	
<i>In re</i>	:	Chapter 11
24067 LLC,	:	Case No. 12-12703 ()
Debtor.	:	
Tax I.D. No. 20-4466360	:	
-----X	:	

-----X
In re : Chapter 11
: :
46914 LLC, : Case No. 12-12704 ()
: :
Debtor. : :
: :
Tax I.D. No. 04-3600322 : :
-----X

-----X
In re : Chapter 11
: :
AIRCRAFT 21255, LLC, : Case No. 12-12705 ()
: :
Debtor. : :
: :
Tax I.D. No. 20-1035500 : :
-----X

-----X
In re : Chapter 11
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AIRCRAFT 21380, LLC, : Case No. 12-12706 ()
: :
Debtor. : :
: :
Tax I.D. No. 20-1081753 : :
-----X

-----X
In re : Chapter 11
: :
CF6-50, LLC, : Case No. 12-12707 ()
: :
Debtor. : :
: :
Tax I.D. No. 06-1619733 : :
-----X

**MOTION OF DEBTORS FOR AN ORDER DIRECTING
JOINT ADMINISTRATION OF CHAPTER 11 CASES PURSUANT TO
RULE 1015(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Southern Air Holdings, Inc. (“Holdings”), Cargo 360, Inc., Southern Air Inc.
(“Southern Air”), Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576
LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, Aircraft

21255, LLC, Aircraft 21380, LLC, and CF6-50, LLC, as debtors and debtors in possession (collectively, the “Debtors”), submit this motion (the “Motion”) and, in support thereof, respectfully represent as follows:

Jurisdiction

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012. 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.

Background

2. On the date hereof (the “Petition Date”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors (“Creditors’ Committee”) has been appointed in these chapter 11 cases.

The Debtors’ Businesses

3. Southern Air, the Federal Aviation Administration certificated, indirect subsidiary of Holdings, is an experienced provider of long-haul, wide-body air cargo transportation services. Southern Air operates a fleet of eleven aircraft, including four Boeing 777s, four Boeing 747-400s, and three Boeing 747-200s. Southern Air’s staff and flight operations are positioned around the world to facilitate global operations for both governmental and commercial customers. Holdings is the direct or indirect parent company of the other Debtors.

4. As of the Petition Date, the Debtors employed approximately 611 full-time employees. For the twelve months ended July 31, 2012, the Debtors' unaudited and consolidated financial statements reflected revenues of approximately \$428.2 million and a net loss of \$159.8 million. As of July 31, 2012, the Debtors' unaudited and consolidated financial statements reflected assets totaling approximately \$206.9 million and liabilities totaling approximately \$486.5 million.

5. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to this chapter 11 filing is contained in the *Declaration of Daniel J. McHugh in Support of the Debtors' Chapter 11 Petitions and First Day Relief* (the "McHugh Declaration"), filed contemporaneously herewith.

Relief Requested

6. By this Motion, the Debtors request, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), entry of an order directing joint administration of the Debtors' chapter 11 cases for procedural purposes only. A proposed order is attached hereto as Exhibit A (the "Proposed Order").

Basis for Relief Requested

7. Bankruptcy Rule 1015(b) provides, in relevant part, that, "[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates." FED. R. BANKR. P. 1015(b). The Debtors are "affiliates" as defined under section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to consolidate these cases for procedural purposes.

8. In addition, Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) provides, in relevant part, as follows:

An order of joint administration may be entered . . . upon the filing of a motion for joint administration . . . supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties.

DEL. BANKR. L.R. 1015-1.

9. Pursuant to Local Rule 1015-1, the Debtors have filed the McHugh Declaration contemporaneously herewith. The McHugh Declaration establishes that the joint administration of the Debtors’ respective estates is warranted and will ease the administrative burden for the Court and all parties in interest.

10. Joint administration of these cases will save the Debtors and their estates substantial time and expense by removing the need to prepare, replicate, file, and serve duplicative notices, applications, and orders. Further, joint administration will relieve the Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee for the District of Delaware (the “U.S. Trustee”) and other parties in interest will similarly benefit from joint administration of these chapter 11 cases by sparing them the time and effort of reviewing duplicative pleadings and papers.

11. Joint administration will not adversely affect creditors’ rights because this Motion requests only the administrative consolidation of the estates. This Motion does not seek substantive consolidation. As such, each creditor may still file its claim against a particular Debtor’s estate.

12. Accordingly, the Debtors respectfully request that the caption of their cases be modified as follows:

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
In re : **Chapter 11**
: **Case No. 12-12690 ()**
SOUTHERN AIR : **Jointly Administered**
HOLDINGS, INC., et al., :
Debtors.¹ :
-----X

13. The Debtors also seek the Court’s direction that a notation substantially similar to the following be made on the docket in each of these chapter 11 cases:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Southern Air Holdings, Inc., Cargo 360, Inc., Southern Air Inc., Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576 LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, Aircraft 21255, LLC, Aircraft 21380, LLC, and CF6-50, LLC. The docket in Case No. 12-12690 (____) should be consulted for all matters affecting this case.

14. An order of joint administration relates to the routine administration of a case and may be entered by the Court in its sole discretion on an *ex parte* basis. See DEL. BANKR. L.R. 1015-1. Moreover, the request for joint administration of interrelated chapter 11 cases is routinely approved by courts in this jurisdiction under similar circumstances and is

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: (i) Southern Air Holdings, Inc., 6605; (ii) Cargo 360, Inc., 4233; (iii) Southern Air Inc., 2187; (iv) Air Mobility Inc., 3824; (v) 21110 LLC, 3761; (vi) 21111 LLC, 8100; (vii) 21221 LLC, 1567; (viii) 21550 LLC, 8103; (ix) 21576 LLC, 6341; (x) 21590 LLC, 8105; (xi) 21787 LLC, 0617; (xii) 21832 LLC, 7893; (xiii) 23138 LLC, 7192; (xiv) 24067 LLC, 6360; (xv) 46914 LLC, 0322; (xvi) Aircraft 21255, LLC, 5500; (xvii) Aircraft 21380, LLC, 1753; and (xviii) CF6-50, LLC, 9733. The address for all Debtors is 117 Glover Avenue, Norwalk, Connecticut 06850.

generally non-controversial. *See, e.g., In re WP Steel Venture LLC*, Case No. 12-11661 (KJC) (Bankr. D. Del. June 1, 2012) [Docket No. 59]; *In re AES E. Energy L.P.*, Case No. 11-14138 (KJC) (Bankr. D. Del. Jan. 4, 2012) [Docket No. 40]; *In re Dallas Stars, L.P.*, Case No. 11-12935 (PJW) (Bankr. D. Del. Sept. 19, 2011) [Docket No. 42]; *In re DSI Holdings, Inc.*, Case No. 11-11941 (KJC) (Bankr. D. Del. June 28, 2011) [Docket No. 43]; *In re L.A. Dodgers LLC*, Case No. 11-12010 (KG) (Bankr. D. Del. June 28, 2011) [Docket No. 40]; *In re Elec. Components Int'l, Inc.*, Case No. 10-11054 (KJC) (Bankr. D. Del. Apr. 1, 2010) [Docket No. 32].²

15. Based on the foregoing, the Debtors submit that the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

Notice

16. No trustee, examiner, or Creditors' Committee has been appointed in these chapter 11 cases. Notice of this Motion has been provided to (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; (c) the Securities and Exchange Commission; (d) the Internal Revenue Service; (e) the United States Attorney's Office for the District of Delaware; (f) the United States Transportation Command; (g) the Defense Logistics Agency - Energy; (h) Canadian Imperial Bank of Commerce, New York Agency ("CIBC"); (i) counsel to CIBC; (j) Oak Hill Capital Management ("Oak Hill"); (k) counsel to Oak Hill; (l) all lessors under aircraft operating leases

² Because of the voluminous nature of the unreported orders cited in this Motion, they are not attached hereto; however, copies of these orders are available upon request of the Debtors' counsel.

with Southern Air; and (m) any other party directly affected by this Motion. The Debtors respectfully submit that such notice is sufficient under the circumstances.

No Previous Request

17. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: September 28, 2012
Wilmington, Delaware

/s/ M. Blake Cleary
M. Blake Cleary (No. 3614)
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Telephone: (302) 571-6600
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-and-

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Telephone: (212) 310-8000
Facsimile: (212) 310-8007

*Proposed Attorneys for the
Debtors and Debtors in Possession*

Exhibit A
Proposed Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
SOUTHERN AIR HOLDINGS, INC.,	:	Case No. 12-12690 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 26-0816605	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
CARGO 360, INC.,	:	Case No. 12-12691 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 20-1974233	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
SOUTHERN AIR INC.,	:	Case No. 12-12692 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 31-1642187	:	
-----X	:	
<i>In re</i>	:	Chapter 11
	:	
AIR MOBILITY INC.,	:	Case No. 12-12693 ()
	:	
Debtor.	:	
	:	
Tax I.D. No. 20-0493824	:	
-----X	:	

-----X
In re :
 :
21110 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 20-2603761 :
-----X

Chapter 11
Case No. 12-12694 ()

In re :
 :
21111 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 04-3738100 :
-----X

Chapter 11
Case No. 12-12695 ()

In re :
 :
21221 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 20-5621567 :
-----X

Chapter 11
Case No. 12-12696 ()

In re :
 :
21550 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 04-3738103 :
-----X

Chapter 11
Case No. 12-12697 ()

In re :
 :
21576 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 20-8396341 :
-----X

Chapter 11
Case No. 12-12698 ()

-----X
In re :
 :
21590 LLC, :
 :
 Debtor. :
 :
Tax I.D. No. 04-3738105 :
-----X

In re : Chapter 11
 :
21787 LLC, : Case No. 12-12700 ()
 :
 Debtor. :
 :
Tax I.D. No. 20-2590617 :
-----X

In re : Chapter 11
 :
21832 LLC, : Case No. 12-12701 ()
 :
 Debtor. :
 :
Tax I.D. No. 20-5577893 :
-----X

In re : Chapter 11
 :
23138 LLC, : Case No. 12-12702 ()
 :
 Debtor. :
 :
Tax I.D. No. 06-1777192 :
-----X

In re : Chapter 11
 :
24067 LLC, : Case No. 12-12703 ()
 :
 Debtor. :
 :
Tax I.D. No. 20-4466360 :
-----X

-----X
In re :
46914 LLC, :
Debtor. :
Tax I.D. No. 04-3600322 :
-----X

Chapter 11

Case No. 12-12704 ()

In re :
AIRCRAFT 21255, LLC, :
Debtor. :
Tax I.D. No. 20-1035500 :
-----X

Chapter 11

Case No. 12-12705 ()

In re :
AIRCRAFT 21380, LLC, :
Debtor. :
Tax I.D. No. 20-1081753 :
-----X

Chapter 11

Case No. 12-12706 ()

In re :
CF6-50, LLC, :
Debtor. :
Tax I.D. No. 06-1619733 :
-----X

Chapter 11

Case No. 12-12707 ()

**ORDER DIRECTING JOINT ADMINISTRATION
OF CHAPTER 11 CASES PURSUANT TO RULE 1015(b)
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Upon the motion, dated September 28, 2012 (the “Motion”),¹ of Southern Air Holdings, Inc., Cargo 360, Inc., Southern Air Inc., Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576 LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, Aircraft 21255, LLC, Aircraft 21380, LLC, and CF6-50, LLC, as debtors and debtors in possession (collectively, the “Debtors”), requesting entry of an order directing joint administration of the Debtors’ chapter 11 cases pursuant to Bankruptcy Rule 1015(b), as more fully set forth in the Motion; and upon consideration of the McHugh Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by the Court under Case No. 12-12690 (____).
3. Nothing contained in this Order shall be deemed or construed as directing or otherwise affecting the substantive consolidation of any of the above-captioned cases.
4. The caption of the jointly administered cases should read as follows:

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	-----X		
<i>In re</i>	:		
	:		Chapter 11
	:		
SOUTHERN AIR HOLDINGS, INC., et al.,	:		Case No. 12-12690 ()
	:		
Debtors.¹	:		Jointly Administered
	:		
	-----X		

5. A docket entry shall be made in each of the above-captioned cases substantially as follows:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Southern Air Holdings, Inc., Cargo 360, Inc., Southern Air Inc., Air Mobility Inc., 21110 LLC, 21111 LLC, 21221 LLC, 21550 LLC, 21576 LLC, 21590 LLC, 21787 LLC, 21832 LLC, 23138 LLC, 24067 LLC, 46914 LLC, Aircraft 21255, LLC, Aircraft 21380, LLC, and CF6-50, LLC. The docket in Case No. 12-12690 (____) should be consulted for all

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: (i) Southern Air Holdings, Inc., 6605; (ii) Cargo 360, Inc., 4233; (iii) Southern Air Inc., 2187; (iv) Air Mobility Inc., 3824; (v) 21110 LLC, 3761; (vi) 21111 LLC, 8100; (vii) 21221 LLC, 1567; (viii) 21550 LLC, 8103; (ix) 21576 LLC, 6341; (x) 21590 LLC, 8105; (xi) 21787 LLC, 0617; (xii) 21832 LLC, 7893; (xiii) 23138 LLC, 7192; (xiv) 24067 LLC, 6360; (xv) 46914 LLC, 0322; (xvi) Aircraft 21255, LLC, 5500; (xvii) Aircraft 21380, LLC, 1753; and (xviii) CF6-50, LLC, 9733. The address for all Debtors is 117 Glover Avenue, Norwalk, Connecticut 06850.

matters affecting this case.

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2012
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE