

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**APPLICATION OF DEBTORS FOR
AUTHORITY TO RETAIN AND THE APPOINTMENT
OF KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS AND
NOTICING AGENT PURSUANT TO 28 U.S.C. § 156(c) AND LOCAL RULE 2002-1(f)**

Southern Air Holdings, Inc. (“Holdings”) and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “Debtors”), submit this application (the “Section 156(c) Application”) for authority to retain and the appointment of Kurtzman Carson Consultants LLC (“KCC”) as claims and noticing agent (the “Claims and Noticing Agent”) in the Debtors’ chapter 11 cases, effective as of the Petition Date, and, in support thereof, respectfully represent as follows:

Jurisdiction and Venue

1. The Court has jurisdiction over 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

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.



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.

3. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of the chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

The Debtors' Businesses

4. Southern Air Inc. ("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.

5. 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.

6. 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*, filed contemporaneously herewith.

KCC's Retention

7. The terms of retention and employment for KCC are set forth in that certain Engagement Agreement dated as of September 19, 2012, between Southern Air (together with its affiliates and subsidiaries) and KCC (the "Engagement Agreement"), attached hereto as Exhibit A. Pursuant to this Section 156(c) Application the Debtors are seeking to retain and employ KCC as the Claims and Noticing Agent solely on the terms and provisions set forth in this Section 156(c) Application and the proposed order, attached hereto as Exhibit C (the "Retention Order"). To the extent that there is any inconsistency between this Section 156(c) Application, the Retention Order, and the Engagement Agreement, the Retention Order shall govern. Concurrent with this Section 156(c) Application the Debtors have filed a separate application to retain KCC as their administrative agent under 11 U.S.C. § 327(a) (the "Section 327(a) Application").

Scope of Services to be Provided by KCC

8. Pursuant to the Engagement Agreement, the Debtors propose that KCC perform certain Claims and Noticing Services (as defined herein).

9. This Section 156(c) Application pertains only to the work to be performed by KCC under the clerk's delegation of duties as permitted by section 156(c) of title 28 of the United States Code and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure

for the United States Bankruptcy Court for the District of Delaware (the “Local Rules”). Any work to be performed by KCC not covered by this Section 156(c) Application or by any order of the Court granting approval hereof.

10. Subject to Court approval, at the request of the Debtors, and to the extent necessary, KCC has agreed to perform the following tasks in its role as the Claims and Noticing Agent in these chapter 11 cases (collectively, the “Claims and Noticing Services”), as well as all quality control relating thereto:

- (a) Prepare and serve required notices and documents in these cases in accordance with the Bankruptcy Code and the Bankruptcy Rules in the form and manner directed by the Debtors and/or the Court, including without limitation (i) notice of the commencement of the cases and the initial meeting of creditors under Bankruptcy Code § 341(a), (ii) notice of any claims bar date, (iii) notices of transfers of claims, (iv) notices of objections to claims and objections to transfers of claims, (v) notices of any hearings on a disclosure statement and confirmation of the Debtors’ plan or plans of reorganization, including under Bankruptcy Rule 3017(d), (vi) notice of the effective date of any plan, and (vii) all other notices, orders, pleadings, publications, and other documents as the Debtors or Court may deem necessary or appropriate for an orderly administration of the cases;
- (b) Maintain an official copy of the Debtors’ schedules of assets and liabilities and statement of financial affairs (collectively, “Schedules”), listing the Debtors’ known creditors and the amounts owed thereto;
- (c) Maintain (i) a list of all potential creditors, equity holders, and other parties in interest and (ii) a “core” mailing list consisting of all parties described in sections 2002(i), (j), and (k), and those parties that have filed a notice of appearance pursuant to Bankruptcy Rule 9010; update said lists and make said lists available upon request by a party in interest or the office of the clerk of the bankruptcy court (the “Clerk”);
- (d) Furnish a notice to all potential creditors of the last date for the filing of proofs of claim and a form for the filing of a proof of claim, after such notice and form are approved by this Court, and notify said potential creditors of the existence, amount and classification of their respective claims as set forth in the Schedules, which may be effected by inclusion of such information (or the lack thereof, in cases where the Schedules

indicate no debt due to the subject party) on a customized proof of claim form provided to potential creditors;

- (e) Maintain a post office box or address for the purpose of receiving claims and returned mail, and process all such mail received;
- (f) For *all* notices, motions, orders, or other pleadings or documents served, prepare and file, or caused to be filed, with the Clerk an affidavit or certificate of service within seven (7) business days of service which includes (i) either a copy of the notice served or the docket numbers(s) and title(s) of the pleading(s) served, (ii) a list of persons to whom it was mailed (in alphabetical order) with their addresses, (iii) the manner of service, and (iv) the date served;
- (g) Process all proofs of claim received, including those received by the Clerk's office, and check said processing for accuracy, and maintain the original proofs of claim in a secure area;
- (h) Maintain the official claims register for each Debtor (the "Claims Registers") on behalf of the Clerk; upon the Clerk's request, provide the Clerk with certified, duplicate unofficial Claims Registers; and specify in the Claims Registers the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, (iv) the amount asserted, (v) the asserted classification(s) of the claim (*e.g.*, secured, unsecured, priority, *etc.*), (vi) the applicable Debtor, and (vii) any disposition of the claim;
- (i) Implement necessary security measures to ensure the completeness and integrity of the Claims Registers and the safekeeping of the original claims;
- (j) Record all transfers of claims and provide any notices of such transfers as required by Bankruptcy Rule 3001(e);
- (k) Relocate, by messenger or overnight delivery, all of the court-filed proofs of claim to their offices, not less than weekly;
- (l) Upon completion of the docketing process for all claims received to date for each case, turn over to the Clerk copies of the Claims Registers for the Clerk's review (upon the Clerk's request);
- (m) Monitor the Court's docket for all notices of appearance, address changes, and claims-related pleadings and orders filed and make necessary notations on and/or changes to the Claims Registers;

- (n) Assist in the dissemination of information to the public and respond to requests for administrative information regarding the case as directed by the Debtors or the Court, including through the use of a case website and/or call center;
- (o) If the case is converted to chapter 7, contact the Clerk's Office within three (3) days of the notice to KCC of entry of the order converting the case;
- (p) Thirty (30) days prior to the close of these cases, to the extent practicable, request that the Debtors submit to the Court a proposed Order dismissing KCC and terminating its services upon completion of its duties and responsibilities and upon the closing of these chapter 11 cases;
- (q) Within seven (7) days of notice to KCC of entry of an order closing the chapter 11 cases, KCC shall provide to the Court the final version of the Claims Registers as of the date immediately before the close of the cases; and
- (r) At the close of these cases, box and transport all original documents, in proper format, as provided by the Clerk's office, to (i) the Federal Archives Record Administration, located at Central Plains Region, 200 Space Center Drive, Lee's Summit, MO 64064 or (ii) any other location requested by the Clerk's office.

11. The Claims Registers shall be open to the public for examination without charge during regular business hours and on a case-specific website maintained by KCC at www.kccllc.net/southernair.

12. KCC shall not employ any past or present employee of the Debtors for work that involves the Debtors' bankruptcy cases.

KCC's Compensation

13. The Debtors respectfully request that the undisputed fees and expenses incurred by KCC in the performance of the Claims and Noticing Services be treated as administrative expenses of the Debtors' estates pursuant to 28 U.S.C. § 156(c) and 11 U.S.C.

§ 503(b)(1)(A) and that they be paid in the ordinary course of business without further application to or order of the Court.

14. KCC agrees to maintain records of all services showing dates, categories of services, fees charged, and expenses incurred. KCC further agrees to serve monthly invoices on the Debtors, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), counsel for the Debtors, counsel for any official committee monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices. If any dispute arises relating to the Engagement Agreement or monthly invoices, the parties shall meet and confer in an attempt to resolve the dispute. If resolution is not achieved, the parties may seek resolution of the matter from the Court.

15. Prior to the Petition Date, the Debtors provided KCC a retainer in the amount of \$25,000. KCC will hold the retainer under the Engagement Agreement during these chapter 11 cases as security for the payment of fees and expenses incurred pursuant to the Engagement Agreement. Following termination of the Engagement Agreement KCC will return to the Debtors any amount of the retainer that remains.

16. Finally, as part of the overall compensation payable to KCC under the terms of the Engagement Agreement, the Debtors have agreed to certain indemnification provisions. The Engagement Agreement provides that the Debtors will indemnify and hold harmless KCC and its affiliates, members, directors, officers, employees, consultants, subcontractors, and agents under certain circumstances specified in the Engagement Agreement, except in circumstances of gross negligence or willful misconduct. Both the Debtors and KCC believe that such provisions are customary and reasonable for Claims and Noticing Agents in similar chapter 11 cases.

KCC's Disinterestedness

17. The Debtors have been advised that, to the best of KCC's knowledge, and except as set forth in the *Affidavit of Albert Kass in Support of the Debtors' Applications to Retain and Employ Kurtzman Carson Consultants LLC* attached hereto as Exhibit B (the "Kass Affidavit"), based on KCC's results of their search performed to date, KCC and its personnel:

- (a) Are not creditors, equity security holders, or insiders of the Debtors;
- (b) Are not and were not, within two (2) years before the date of the filing of these chapter 11 cases, directors, officers, or employees of the Debtors; and
- (c) Do not have an interest materially adverse to the interests of the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors.

18. To the best of the Debtors' knowledge, KCC is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. KCC has represented to the Debtors that KCC will not represent any entities or individuals other than the Debtors in these chapter 11 cases or in connection with any matters that would be adverse to the interests of the Debtors.

19. KCC has further represented, among other things, that:

- (a) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the Claims and Noticing Agent in these chapter 11 cases;
- (b) By accepting employment in the cases, KCC waives any rights to receive compensation from the United States government in connection with the Debtors' chapter 11 cases;
- (c) In its capacity as the Claims and Noticing Agent in these cases, KCC will not be an agent of the United States and will not act on behalf of the United States; and

- (d) It is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code with respect to the matters upon which it is to be engaged.

20. KCC has advised the Debtors that it will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new facts or circumstances are discovered, KCC will supplement its disclosure to the Court.

21. Based on the foregoing, the Debtors submit that this Section 156(c) Application complies with the *Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c)* and conforms to the standard application in use by this Court.

Relief Requested

22. By this Section 156(c) Application, the Debtors request entry of an order, pursuant to 28 U.S.C. §156(c) and Local Rule 2002-1(f) for authority to retain and the appointment of KCC as the Claims and Noticing agent, with full responsibility for the distribution of notices and the maintenance, processing, and docketing of proofs of claim filed in the Debtors’ chapter 11 cases, as described above. The proposed Retention Order is attached hereto as Exhibit C.

23. The Debtors’ selection of KCC to act as the Claims and Noticing Agent has satisfied the Court’s *Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c)*, in that the Debtors have obtained and reviewed engagement proposals from at least three (3) other court-approved claims and noticing agents to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that KCC’s rates are competitive and reasonable given KCC’s quality of services and expertise.

24. In support of this Section 156(c) Application the Debtors submit the Kass Affidavit attached hereto as Exhibit B.

Basis for Relief Requested

25. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the bankruptcy court, authorizes the Court to use facilities other than those of the Clerk for the administration of chapter 11 cases, and provides as follows:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States.

28 U.S.C. § 156(c).

26. Moreover, Local Rule 2002-1(f) requires, in all cases with more than 200 creditors, that the Debtors file a motion to retain a noticing agent on the first day of the case or within ten (10) days thereafter. The Debtors estimate that they have over 200 creditors in these chapter 11 cases. Accordingly, a claims and noticing agent is required.

27. Although the Debtors have not yet filed their schedules of assets and liabilities, they anticipate that there will be in excess of 6,000 entities to be noticed. In view of the number of anticipated claimants, the Debtors submit that the appointment of a claims and noticing agent is both necessary and in the best interests of the Debtors' estates and their creditors. By appointing KCC as the Claims and Noticing Agent in these chapter 11 cases, the distribution of notices and the processing of claims will be expedited and the Clerk's office will be relieved of the administrative burden of processing what may be an overwhelming number of claims.

28. The Debtors believe the retention of KCC is in the best interests of the Debtors, the Debtors' estates, and all parties in interest. As set forth more fully in the Kass Affidavit, KCC is fully equipped to handle the volume of mailing involved in properly sending

the notices to and processing the claims (if necessary) of creditors and other interested parties in these chapter 11 cases. Additionally, KCC is one of the country's leading chapter 11 administrators with expertise in noticing and claims processing. KCC has acted as the agent in many chapter 11 cases, including several cases which are currently pending in Bankruptcy Courts for the District of Delaware. *See* Kass Affidavit at ¶ 2. The Debtors believe KCC is well qualified to provide the Claims and Noticing Services in connection with these chapter 11 cases.

Notice

29. No trustee, examiner, or Creditors' Committee has been appointed in these chapter 11 cases. Notice of this Section 156(c) Application has been provided to (a) the U.S. Trustee; (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 with Southern Air; and (m) any other party directly affected by this Section 156(c) Application. The Debtors respectfully submit that such notice is sufficient under the circumstances.

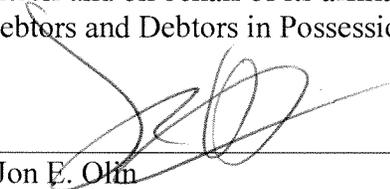
No Previous Request

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

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

Dated: September 28, 2012
Wilmington, Delaware

SOUTHERN AIR HOLDINGS, INC.
(for itself and on behalf of its affiliated debtors
as Debtors and Debtors in Possession)

By: 

Jon E. Olm
Senior Vice President and General Counsel
Southern Air Holdings, Inc.

Exhibit A
Engagement Agreement

KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 5th day of September, 2012, between Southern Air Inc. (together with its affiliates and subsidiaries, the “Company”),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, “KCC”).

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements, preparation of schedules and statements of financial affairs and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC’s standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in the pricing schedule attached hereto as Exhibit “1” (the “KCC Fee Structure”).

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company’s representatives, employees, agents and/or professionals (collectively, the “Company Parties”) with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company’s chapter 11 case.

KCC AGREEMENT FOR SERVICES

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect as of the date of this Agreement in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment. KCC reserves the right to reasonably increase its prices, charges and rates annually. If any price increases exceed 10%, KCC will give thirty (30) days written notice to the Company.

B. The Company agrees to pay the reasonable out of pocket expenses incurred by KCC in connection with services provided under this Agreement, including but not limited to, transportation, lodging, and meals.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate as mutually agreed upon.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced is due and payable upon the Company's receipt of the invoice. However, where total fees and expenses are expected to exceed \$15,000 in any single month, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, the Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses must be paid at least three (3) days in advance of those fees and expenses being incurred.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this Agreement in its entirety (the "Section 156(c) Order"). The form and substance of the motion

KCC AGREEMENT FOR SERVICES

and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$25,000.00 (the “Retainer”) that may be held by KCC as security for the Company’s payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term “program” shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC’s performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company’s use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days’ written notice to the other party, release the required information.

KCC AGREEMENT FOR SERVICES

VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined herein). As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC that causes serious and material harm to the Company's reorganization under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the data or media, and be reimbursed by the Company for the expense of such disposition, after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.

KCC AGREEMENT FOR SERVICES

VIII. BANK ACCOUNTS

At the Company's request, KCC shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement. Such indemnification shall exclude Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to the Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC's liability to the Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.

D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

KCC AGREEMENT FOR SERVICES

X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or electronic mail or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC
2335 Alaska Ave.
El Segundo, CA 90245
Attn: Drake D. Foster
Tel: (310) 823-9000
Fax: (310) 823-9133
E-Mail: dfoster@kccllc.com

Southern Air Inc.
117 Glover Avenue
Norwalk, CT 06850
Attn: Jon E. Olin
Tel: (203) 229-2441
Fax: (203) 750-7373
Email: jolin@southernair.com

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this

KCC AGREEMENT FOR SERVICES

Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

XV. COUNTERPARTS; EFFECTIVENESS

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. This Agreement will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, which delivery may be made by exchange of copies of the signature page by facsimile or electronic mail.

XVI. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

XVII. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in Los Angeles County, State of California.

XVIII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

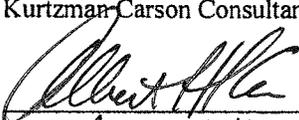
[SIGNATURE PAGE FOLLOWS]



KCC AGREEMENT FOR SERVICES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC


BY: Albert H. Kass DATE: 9/19/2012
TITLE: VP, Corporate Restructuring

Company

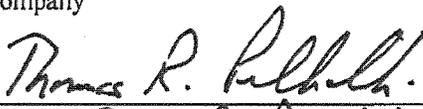

BY: Thomas R. Pithulski DATE: 9/19/2012
TITLE: CFO

Exhibit 1
Pricing Schedule

KCC CORPORATE RESTRUCTURING FEE STRUCTURE

FEES

Consulting Services & Rates¹ (discounted rates set forth below will apply to the engagement)

<u>Position</u>	<u>Hourly Rate</u>	<u>30% Discounted Rate</u>
Clerical	\$40.00-\$60.00	\$28.00-\$42.00
Project Specialist	\$80.00-\$140.00	\$56.00-\$98.00
Technology/Programming Consultant	\$100.00-\$200.00	\$70.00-\$140.00
Consultant	\$125.00-\$200.00	\$87.50-\$140.00
Senior Consultant	\$225.00-\$275.00	\$157.50-\$192.50
Senior Managing Consultant	\$295.00	\$206.50
Weekend, holidays and overtime	Waived	Waived
Travel expenses and working meals	Waived	Waived

EXPENSES²

Noticing Services

Set-up	Waived
Printing and photocopies	\$0.10 per image ³
Labels	\$0.05 per image
Electronic noticing (e-mail)	\$50.00 per 1,000 ⁴
Electronic noticing (domestic facsimile)	\$0.10 per page
Claim Acknowledgement Card	\$0.10 per notice
Insert creditor information into customized documents	Waived
Document folding and inserting	Waived
Legal notice publishing	Quote prior to publishing

¹ Please note that additional professional services not covered by this proposal will be charged at hourly rates, including any outsourced services performed under our supervision and control.

² Expenses shall be consistent with the general practice procedures authorized in the District of Delaware.

³ Volume discounts will be applied to large mailings.

⁴ Expense waived for the first 5,000 emails.

KCC CORPORATE RESTRUCTURING FEE STRUCTURE

Claims Administration & Management

Database and System Access (Unlimited users)	Waived
License fee and data storage	\$0.10 per creditor per month (all charges waived for first three months)
Case-specific public website hosting	Waived
Creditor import	Waived
Proof of Claim input	No per creditor charge

Document Management/Imaging

Electronic imaging (scanning & bar-coding)	\$0.12 per imaged page
Virtual data room	Quote prior to VDR set-up
CD-ROMs (Mass Document Storage)	Varies upon requirements

Call Center Support Services

Case-specific voice-mail box for creditors	Waived
Interactive Voice Response (“IVR”)	Set-up fee waived \$0.34 per minute
Monthly maintenance charge	Waived
Management of Call Center	Standard hourly rates

Solicitation, Balloting & Tabulation Services

Set-up, tabulation and vote verification	Applicable consulting fees only
Printing and mailing ballots	Subject to above unit pricing for mailing and noticing

KCC CORPORATE RESTRUCTURING FEE STRUCTURE

Public Securities Services

- Notice Event - Informational mailings to security holders
- Voting Event - Mailing ballots to security holders and tabulating their votes on a plan of reorganization
- Corporate Action Event - Mailing election forms to security holders and tabulating the results, e.g., rights offering elections
- Voting and Corporate Action Event - Mailing ballots, which include both a vote and an election, to security holders and tabulating the results
- Security Holder Identification Report

Disbursements

Check issuance	Quote prior to printing
W-9 mailing and maintenance of TIN database	See hourly rates and noticing charges

Standard and Customized Reporting

The following services are available at consulting rates:

- Preparation of Service Lists
- Preparation of Claims Registers & Claims Reports
- Claims Reconciliation
- Preparation of Claims Objection Exhibits
- Custom Data Extraction & Forensics
- Preference Data Compilation
- Preparation of Schedules & SOFA
- Preparation of Ballot Tabulations/Disbursements Reports
- Contract and Lease Analysis
- Preparation of Claim Transfer Reports
- Preparation of Exhibits to Plan and Disclosure Statement
- Preparation of Custom Reports
- Other Services as Requested by Client

Exhibit B

Kass Affidavit

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

-----X
: **Chapter 11**
: **Case No. 12-12690 ()**
: **Joint Administration Requested**
: **Debtors.**¹
:
:
-----X

**AFFIDAVIT OF ALBERT KASS IN
SUPPORT OF THE DEBTORS' APPLICATIONS FOR AUTHORITY
TO RETAIN AND APPOINT KURTZMAN CARSON CONSULTANTS LLC**

Albert Kass, being duly sworn, deposes and states:

1. I am the Vice President of Corporate Restructuring Services for Kurtzman Carson Consultants LLC (“KCC”), and I am authorized to make and submit this affidavit on behalf of KCC. This affidavit is submitted in support of the applications of the above-referenced debtors (collectively, the “Debtors”) requesting entry of orders (a) authorizing the retention of and appointing KCC as the claims and noticing agent under 28 U.S.C. § 156(c) (the “Section 156(c) Application”) and (b) authorizing the retention and employment of KCC as the administrative agent under 11 U.S.C. § 327(a) (the “Section 327(a) Application” and, together with the Section 156(c) Application the “Applications”)² in accordance with the terms and

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.

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Applications.

conditions set forth in the Engagement Agreement. The statements contained herein are based upon personal knowledge.

2. KCC is one of the country's leading chapter 11 administrators with expertise in noticing and claims processing. KCC is well-qualified to provide experienced noticing and claims services in connection with these chapter 11 cases pursuant to 28 U.S.C. § 156(c). KCC has provided identical or substantially similar services to other chapter 11 debtors in the District of Delaware. *See, e.g., In re Ritz Camera & Image, L.L.C.*, Case No. 12-11868 (Bankr. D. Del. June 22, 2012); *In re Trident Microsystems, Inc.*, Case No. 12-10069 (Bankr. D. Del. Jan. 4, 2012); *In re AES E. Energy, L.P.*, Case No. 11-14138 (Bankr. D. Del. Dec. 30, 2011); *In re William Lyon Homes*, Case No. 11-14019 (Bankr. D. Del. Dec. 19, 2011); *In re The PMI Group, Inc.*, Case No. 11-13730 (Bankr. D. Del. Nov. 23, 2011); *In re Blitz U.S.A., Inc.*, Case No. 11-13603 (Bankr. D. Del. Nov. 9, 2011); *In re Filene's Basement, LLC*, Case No. 11-13511 (Bankr. D. Del. Nov. 2, 2011); *In re NewPage Corp.*, Case No. 11-12804 (Bankr. D. Del. Sept. 7, 2011); *In re DSI Holdings, Inc.*, Case No. 11-11941 (Bankr. D. Del. June 26, 2011); *In re Nebraska Book Co., Inc.*, Case No. 11-12005 (Bankr. D. Del. June 27, 2011); *In re Caribe Media, Inc.*, Case No. 11-11387 (Bankr. D. Del. May 3, 2011); *In re Barnes Bay Development, Ltd.*, Case No. 11-10792 (Bankr. D. Del. March 17, 2011); *In re New Stream Secured Capital, Inc.*, Case No. 11-10753 (Bankr. D. Del. March 13, 2011); *In re Ultimate Acquisition Partners, LP*, Case No. 11-10245 (Bankr. D. Del. Jan. 26, 2011); *In re Javo Beverage Co., Inc.*, Case No. 11-10212 (Bankr. D. Del. Jan. 24, 2011); *In re Appleseed's Intermediate Holdings LLC*, Case No. 11-10160 (Bankr. D. Del. Jan. 19, 2011); *In re Constar Int'l Inc.*, Case No. 11-10109 (Bankr. D. Del. Jan. 11, 2011); *In re Local Insight Media Holdings, Inc.*, Case No. 10-13677 (Bankr. D. Del. Nov.

17, 2010); *In re Claim Jumper Restaurants, LLC*, Case No. 10-12819 (Bankr. D. Del. Sept. 10, 2010); *In re Caribbean Petroleum Corp.*, Case No. 10-12553 (Bankr. D. Del. Aug. 12, 2010); *In re American Safety Razor Company, LLC*, Case No. 10-12351 (Bankr. D. Del. July 28, 2010).

3. KCC also has expertise in other case administration services, including, without limitation, plan solicitation, balloting, and plan disbursements. KCC is well-qualified to provide experienced professional services relating to the administration of these chapter 11 cases. KCC has provided identical or substantially similar services to other chapter 11 debtors in the District of Delaware. *See, e.g., In re Ritz Camera & Image, L.L.C.*, Case No. 12-11868 (Bankr. D. Del. June 22, 2012); *In re Trident Microsystems, Inc.*, Case No. 12-10069 (Bankr. D. Del. Jan. 4, 2012); *In re AES E. Energy, L.P.*, Case No. 11-14138 (Bankr. D. Del. Dec. 30, 2011); *In re William Lyon Homes*, Case No. 11-14019 (Bankr. D. Del. Dec. 19, 2011); *In re The PMI Group, Inc.*, Case No. 11-13730 (Bankr. D. Del. Nov. 23, 2011); *In re Blitz U.S.A., Inc.*, Case No. 11-13603 (Bankr. D. Del. Nov. 9, 2011); *In re Filene's Basement, LLC*, Case No. 11-13511 (Bankr. D. Del. Nov. 2, 2011); *In re NewPage Corporation*, Case No. 11-12804 (Bankr. D. Del. Sept. 7, 2011); *In re DSI Holdings, Inc.*, Case No. 11-11941 (Bankr. D. Del. June 26, 2011); *In re Nebraska Book Co., Inc.*, Case No. 11-12005 (Bankr. D. Del. June 27, 2011); *In re Caribe Media, Inc.*, Case No. 11-11387 (Bankr. D. Del. May 3, 2011); *In re Barnes Bay Dev., Ltd.*, Case No. 11-10792 (Bankr. D. Del. March 17, 2011); *In re New Stream Secured Capital, Inc.*, Case No. 11-10753 (Bankr. D. Del. March 13, 2011); *In re Ultimate Acquisition Partners, LP*, Case No. 11-10245 (Bankr. D. Del. Jan. 26, 2011); *In re Javo Beverage Co., Inc.*, Case No. 11-10212 (Bankr. D. Del. Jan. 24, 2011); *In re Appleseed's Intermediate Holdings LLC*, Case No. 11-10160 (Bankr. D. Del. Jan. 19, 2011);

In re Constar Int'l Inc., Case No. 11-10109 (Bankr. D. Del. Jan. 11, 2011); *In re Local Insight Media Holdings, Inc.*, Case No. 10-13677 (Bankr. D. Del. Nov. 17, 2010); *In re Claim Jumper Restaurants, LLC*, Case No. 10-12819 (Bankr. D. Del. Sept. 10, 2010); *In re Caribbean Petroleum Corp.*, Case No. 10-12553 (Bankr. D. Del. Aug.12, 2010); *In re American Safety Razor Company, LLC*, et al., Case No. 10-12351 (Bankr. D. Del. July 28, 2010).

4. The Debtors have carefully selected KCC to serve as their claims, noticing, and administrative agent for the Debtors' estates, as set forth in more detail in the Applications. To the best of my knowledge, neither KCC, nor any of its professional personnel, have any relationship with the Debtors that would impair KCC's ability to serve as the claims, noticing, and administrative agent in these cases.

5. The Debtors have many creditors, and accordingly, KCC may have rendered and may continue to render services to certain of these creditors in matters unrelated to these cases, either as vendors or in cases where KCC serves in a neutral capacity as a bankruptcy claims and noticing agent or class action settlement administrator. KCC has not and will not represent the separate interests of any such creditor in these cases. To the best of my knowledge, neither KCC, nor any of its professional personnel, have any relationship with the Debtors that would impair KCC's ability to serve as claims and noticing agent or administrative agent. KCC has working relationships with certain of the professionals retained by the Debtors and other parties herein, but such relationships are completely unrelated to the Debtors' cases. In addition, KCC personnel may have relationships with some of the Debtors' creditors. Such relationships are, however, of a personal, financial nature and are wholly unrelated to the Debtors' cases. KCC has and will continue to represent clients in matters unrelated to the

Debtors' cases and has had and will continue to have relationships in the ordinary course of its business with certain vendors and professionals in connection with matters unrelated to these cases.

6. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders.

7. KCC is a "disinterested person," within the meaning of section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that KCC (a) holds no interest adverse to the Debtors or their estates and (b) other than the services currently being provided for the Debtors, KCC has no connection with the Debtors, their creditors, the U.S. Trustee, or other parties in interest in these chapter 11 cases. Moreover, KCC or its professional personnel (a) are not creditors, equity security holders, or insiders of the Debtors, (b) are not and were not, within two (2) years before the date of the filing of these chapter 11 cases, directors, officers, or employees of the Debtors, and (c) do not have an interest materially adverse to the interests of the Debtors' estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors.

8. KCC has not been retained to assist any entity or person other than the Debtors on matters relating to, or in connection with, these chapter 11 cases. If KCC's proposed retention and employment is approved by this Court, KCC will not accept any engagement or

perform any service for any entity or person other than the Debtors in these chapter 11 cases. KCC may, however, provide services to entities or persons that may be creditors or parties in interest in these chapter 11 cases, which services do not relate to, or have any direct connection with, these chapter 11 cases or the Debtors.

9. Moreover, KCC represents, among other things, that:

- (e) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the claims, noticing, or administrative agent in the cases;
- (f) By accepting employment in the cases, KCC waives any rights to receive compensation from the United States government in connection with the Debtors' cases; and
- (g) In its capacity as the claims and noticing agent pursuant to the Section 156(c) Application in the Debtors' chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States.

10. Subject to the Court's approval, the Debtors have agreed to compensate KCC for certain services rendered in connection with these chapter 11 cases pursuant to the Engagement Agreement a true and correct copy of which is attached as Exhibit A to the Applications. As referenced in the applications, and in the Engagement Agreement, the Debtors and KCC have agreed to a pricing schedule. The pricing schedule is attached as Exhibit 1 to the Engagement Agreement.

11. KCC understands that all of KCC's fees and expenses incurred during these chapter 11 cases on or after the Petition Date, solely with respect to the professional services rendered pursuant to the Section 327(a) Application, will be subject to approval of the Court upon proper application by KCC in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Bankruptcy Rules, applicable Local Rules, any

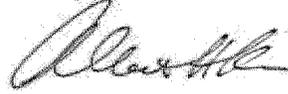
guidelines established by the U.S. Trustee, and such other procedures that have been or may be fixed by order of this Court.

12. KCC further understands that, solely with respect to the Claims and Noticing Services provided pursuant to the Section 156(c) Application, the Debtors will to compensate KCC in accordance with the terms of the pricing schedule and upon the receipt of reasonably detailed invoices setting forth the services provided by KCC and the rates charged for each, and will reimburse KCC for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for KCC to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses. With respect to such services, KCC will maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and will serve monthly invoices on the Debtors, the U.S. Trustee, counsel for the Debtors, counsel for any official committee monitoring the expenses of the Debtors and any party in interest who specifically requests service of the monthly invoices.

13. KCC has received a retainer in the amount of \$25,000 from the Debtors. KCC will hold the retainer under the Engagement Agreement during these chapter 11 cases as security for the payment of fees and expenses incurred pursuant to the Engagement Agreement. Following termination of the Engagement Agreement, KCC will return to the Debtors any amount of the retainer that remains.

14. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C § 156(c).

15. KCC will comply with any request of the Clerk of the Court.



Albert Kass
Vice President of Corporate Restructuring Services
Kurtzman Carson Consultants LLC

State of New York
County of New York

Subscribed and sworn to before me on this 25 day of September, 2012, by Albert Kass, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature Andrew R. Contreras

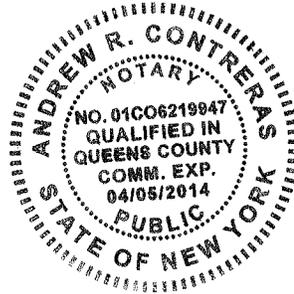


Exhibit C
Proposed Order

**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
	:		
	:		Re: Docket No.
	X		

**ORDER AUTHORIZING THE RETENTION OF AND APPOINTING
KURTZMAN CARSON CONSULTANTS LLC AS CLAIMS AND
NOTICING AGENT UNDER 28 U.S.C. § 156(c) AND LOCAL RULE 2002-1(f)**

Upon the application, dated September 28, 2012 (the “Section 156(c) Application”),² of Southern Air Holdings, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), pursuant to 28 U.S.C. § 156(c) and Local Rule 2002-1(f), for the authority to retain and the appointment of KCC as Claims and Noticing Agent to, among other things, (a) distribute required notices to parties in interest, (b) receive, maintain, docket, and otherwise administer the proofs of claim filed in the Debtors’ cases, and (c) provide such other administrative services—as required by the Debtors—that would fall within the purview of services to be provided by the Clerk’s office; and upon the Kass Affidavit submitted in support of the Section 156(c) Application; and the Debtors having estimated that there are in excess of 200 creditors in these cases; and it appearing that the receiving, docketing, and maintaining of proofs of claim would be unduly time consuming and burdensome for the Clerk; and the Court

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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Section 156(c) Application.

being authorized under 28 U.S.C. §156(c) to utilize, at the Debtors' expense, outside agents, and facilities to provide notices to parties in title 11 cases and to receive, docket, maintain, photocopy, and transmit proofs of claim; and the Court being satisfied that KCC has the capability and experience to provide such services and that KCC does not hold an interest adverse to the Debtors or the estates respecting the matters upon which it is to be engaged; and good and sufficient notice of the Section 156(c) Application having been given; and no other or further notice being required; and it appearing that the employment of KCC is in the best interests of the Debtors, their estates, and their creditors; and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Section 156(c) Application is APPROVED.
2. Notwithstanding any terms of the Engagement Agreement attached to the Section 156(c) Application, the Section 156(c) Application is approved solely as set forth in this Order.
3. The Debtors are authorized to retain KCC and KCC is appointed as the Claims and Noticing Agent, effective as of the Petition Date, under the terms and conditions of the Engagement Agreement.
4. KCC, as the Claims and Noticing Agent, is directed to perform noticing services and to receive, maintain, record, and otherwise administer the proofs of claim filed in these cases, and all related tasks, all as described in the Section 156(c) Application (the "Claims and Noticing Services").
5. KCC shall serve as the custodian of court records and shall be designated as the authorized repository for all proofs of claim filed in these cases and is authorized and directed to maintain official claims registers for each of the Debtors and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk.

6. KCC is authorized and directed to obtain a post office box or address for the receipt of proofs of claim.

7. KCC is authorized to take such other action to comply with all duties set forth in paragraph 10 of the Section 156(c) Application.

8. Debtors are authorized to compensate KCC for Claims and Noticing Services in accordance with the terms of the Engagement Agreement upon the receipt of reasonably detailed invoices setting forth the services provided by KCC and the rates charged for each, and to reimburse KCC for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for KCC to file fee applications or otherwise seek Court approval for the compensation of its services and reimbursement of its expenses.

9. KCC shall maintain records of all services showing dates, categories of services, fees charged and expenses incurred, and shall serve monthly invoices on the Debtors, the U.S. Trustee, counsel for the Debtors, counsel for any official committee monitoring the expenses of the Debtors and any party in interest who specifically requests service of the monthly invoices.

10. The parties shall meet and confer in an attempt to resolve any dispute which may arise relating to the Engagement Agreement or monthly invoices, and that the parties may seek resolution of the matter from the Court if resolution is not achieved.

11. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of KCC under this Order shall be an administrative expense of the Debtors' estates.

12. KCC may apply its retainer to all prepetition invoices and KCC may hold its retainer under the Engagement Agreement during the chapter 11 cases as security for the payment of fees and expenses incurred under the Engagement Agreement.

13. The Debtors shall indemnify KCC under the terms of the Engagement Agreement.

14. KCC shall not be entitled to indemnification, contribution, or reimbursement pursuant to the Engagement Agreement for services other than the Claims and Noticing Services, as provided under the Engagement Agreement, unless such services and the indemnification, contribution, or reimbursement therefore is approved by the Court.

15. Notwithstanding anything to the contrary in the Engagement Agreement, the Debtors shall have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any claim or expense that is either: (a) judicially determined (the determination having become final) to have arisen from KCC's gross negligence, willful misconduct, or fraud; (b) for a contractual dispute in which the Debtors allege the breach of KCC's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003), or (c) settled prior to a judicial determination under (a) or (b), but determined by this Court, after notice and a hearing, to be a claim or expense for which KCC should not receive indemnity, contribution, or reimbursement under the terms of the Engagement Agreement as modified by this Order.

16. Notwithstanding anything to the contrary in the Engagement Agreement, "Section VIII. Bank Accounts" is stricken in its entirety.

17. Before the earlier of (a) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (b) the entry of an order closing these cases, should KCC believe that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including, without limitation, the advancement of defense costs, KCC must file an application in this Court, and the Debtors may not pay any such amounts to KCC before the entry of an order by this Court approving such application and the payment requested therein. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by KCC for indemnification, contribution, or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify KCC. All parties in interest shall retain the right to object to any demand by KCC for indemnification, contribution, or reimbursement.

18. In the event KCC is unable to provide the Claims and Noticing Services, KCC will immediately notify the Clerk and Debtors' counsel and cause to have all original proofs of claim and computer information turned over to another claims and noticing agent with the advice and consent of the Clerk and Debtors' counsel.

19. The Debtors may submit a separate retention application, pursuant to 11 U.S.C. § 327 and/or any applicable law, for work that is to be performed by KCC but is not specifically authorized by this Order.

20. The Debtors and KCC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Section 156(c) Application.

21. Notwithstanding any term in the Engagement Agreement to the contrary, the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

22. KCC shall not cease providing claims processing services during the case(s) for any reason, including nonpayment, without an order of the Court.

23. In the event of any inconsistency between the Engagement Agreement, the Section 156(c) Application and this Order, the Order shall govern.

24. 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