

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**
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SOUTHERN AIR : **Case No. 12-12690 (CSS)**
HOLDINGS, INC., et al., :
: **Jointly Administered**
: **Debtors.¹** :
: **Re: Docket No. 4**
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**INTERIM ORDER (I) AUTHORIZING DEBTORS TO
(A) CONTINUE EXISTING CASH MANAGEMENT SYSTEM, (B) MAINTAIN
EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (C) CONTINUE
INTERCOMPANY ARRANGEMENTS, AND (II) EXTENDING TIME TO COMPLY
WITH THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

Upon the motion, dated September 28, 2012 (the “Motion”),² of Southern Air Holdings, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), for (i) authority to (a) continue their existing cash management system (the “Cash Management System”), (b) maintain existing bank accounts (the “Bank Accounts”) and business forms (the “Business Forms”), and (c) continue existing intercompany funding arrangements, and (ii) an extension of the time to comply with and waiver of the requirements of section 345(b) of the Bankruptcy Code pursuant to sections 105(a), 345(b), and 363(c) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, as more fully set forth in the Motion; and upon consideration of the *Declaration of Daniel J. McHugh in Support of the Debtors’ Chapter 11*

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



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Petitions and First Day Relief; 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 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 estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. The Debtors are authorized, but not directed, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~³ pursuant to sections 105(a), 345(b), and 363(c)(1) of the Bankruptcy Code, to continue to manage their cash pursuant to their existing Cash Management System, as modified herein, and to collect and disburse cash in accordance with such Cash Management System. The Debtors shall maintain accurate records of all transfers within the Cash Management System so that all postpetition transfers and transactions

³ DIP Credit Agreement shall mean that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, by and among Cargo 360, CIBC, and various financial institutions and other persons from time to time parties thereto, dated as of September 28, 2012.

shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent as done by the Debtors before the Petition Date.

3. The Debtors are authorized, but not directed, to (a) designate, maintain, and continue to use any or all of the Bank Accounts, including, without limitation, those bank accounts listed on Exhibit 1 attached hereto, in the names and with the account numbers existing immediately prior to the Petition Date, (b) deposit funds into and withdraw funds from such accounts by all usual means, including, without limitation, checks, wire transfers, automated transfers, and other debits, and (c) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts.

4. The Debtors are authorized, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~ to continue to use their Cash Management System and to fund Debtor and non-Debtor affiliates as they did prior to the Petition Date. The Debtors shall maintain accurate records of all Intercompany Transactions such that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records.

5. The Debtors are authorized, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~ to (a) continue paying all intercompany payables, if any, (b) extend intercompany credit, and (c) continue performing all obligations, commitments and transactions between and among the Debtors and between and among the Debtors and/or their non-Debtor affiliate SA Germany. The Debtors shall continue to maintain records related to all Intercompany Transactions, so that transactions can be ascertained, traced, and accounted for on applicable intercompany accounts.

6. The Debtors are authorized, ~~to the extent consistent with the terms and conditions of the DIP Credit Agreement,~~ to continue to honor and make payments for prepetition and postpetition intercompany obligations to subsidiaries and affiliates (Debtor and non-Debtor) in accordance with their prepetition practices; *provided, however,* that cash payments on account of prepetition intercompany obligations shall not exceed \$50,000.

7. All intercompany obligations owed by a Debtor to another Debtor or a non-Debtor affiliate shall be accorded administrative priority status of the kind specified in section 503(b) of the Bankruptcy Code to the extent such obligations arise after the Petition Date.

8. All Banks with which the Debtors maintained Bank Accounts as of the Petition Date are authorized and directed, as of the Petition Date, to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or other transfers by the holders or makers thereof, as the case may be; *provided, however,* that nothing contained herein shall authorize any such Bank to honor any check, draft, wire, or other transfer issued or dated prior to the Petition Date, except as otherwise provided by further order of this Court; *provided, further,* that any such Bank may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to an Order of this Court, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

9. For all Banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository agreement with the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"), within fifteen (15) days of the date of entry of this Order, the

Debtors shall (a) contact such Bank, (b) provide the Bank with each of the Debtors' employer identification numbers, and (c) identify each of their Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case.

10. Nothing contained herein shall prevent the Debtors from closing any Bank Accounts or opening any additional bank accounts, as they may deem necessary and appropriate, ~~to the extent consistent with the terms of the DIP Credit Agreement and any order(s) of this Court relating thereto~~, and any relevant bank is authorized to honor the Debtors' requests to close or open such bank accounts or additional bank accounts, as the case may be.

11. The Debtors shall provide notice to the U.S. Trustee, CIBC, and any statutorily appointed committee to the extent any Bank Accounts are closed or any additional bank accounts are opened.

12. The Debtors are authorized to use their existing Business Forms and are not required to (i) obtain new stock reflecting their status as debtors in possession, including listing the chapter 11 case numbers under which these cases are being jointly administered or (ii) print "Debtor in Possession" on any of their Business Forms or in wire transfer instructions; *provided, however*, that following the depletion of the Debtors' existing check stock and/or Business Forms stock, the Debtors will obtain new check stock and/or Business Forms stock reflecting their status as debtors in possession.

13. The Debtors' time to comply with section 345(b) of the Bankruptcy Code is hereby extended pursuant to Local Rule 2015-2(b).

14. Within three (3) business days after the date of this Order, the Debtors shall serve a copy of this Order on the Banks.

15. The requirements of Rule 6003(b) of the Bankruptcy Rules have been satisfied.

16. The requirements of Bankruptcy Rule 6004(a) are waived.

17. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

18. The Debtors are authorized to take all steps necessary to carry out this Order.

19. A final hearing to consider the relief requested in the Motion (the "Final Hearing") shall be held on October 25, 2012 at 1:00 p.m. (Eastern Time) and any objections or responses to the Motion shall be filed on or before seven (7) days before the final hearing date set forth herein and served on the parties as required by Local Rule 9006-1(c)(ii).

20. This Order is effective only from the date of entry through this Court's disposition of the Motion on a final basis at the Final Hearing; *provided, however*, that the Court's ultimate disposition of the Motion on a final basis shall not impair or otherwise affect any action taken pursuant to this Order.

21. 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: 9/28, 2012
Wilmington, Delaware


CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Debtors' Bank Accounts

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Debtors' Bank Accounts

Debtor	Bank Name & Address	Account Number	Description of Account
Southern Air Inc.			
	JP Morgan Chase, N.A. 2 Corporate Drive Shelton, CT 06484 Attn: Brian Anderson Tel: 914-993-7926 E-mail: Brian.J.Anderson@chase.com	██████████ 0365	Collection Account
		██████████ 2865	751 Savings Account
		██████████ 3575	Credit Card Collateral Account
		██████████ 3793	Legacy Account: Houston Intercontinental Airport Deposit
		██████████ 8619	Legacy Account: Los Angeles International Airport Deposit
		██████████ 3378	Legacy Account: Miami International Airport Deposit
		██████████ 3535	Legacy Account: San Francisco International Airport Deposit
		██████████ 6519	SITA (AC communication) deposit.
		██████████ 8583	Operating Account
		██████████ 4065	Money Market Savings Account
	██████████ 2659	Payroll Account	
		Merill Lynch 360 Hamilton Ave., 8th Floor White Plains, NY 10601 Attn: Arthur Pasternak Tel: 914-682-5530 E-mail: Arthur.Pasternak@ml.com	██████████ 7501
Cargo 360, Inc.			
	Wells Fargo Bank Northwest, N.A. P.O. Box 6995 Portland, OR 97228 Tel: 1-800-25-5935	██████████ 7629	Cargo 306, Inc. real estate lease savings deposit
	JP Morgan Chase, N.A. 2 Corporate Drive Shelton, CT 06484 Attn: Brian Anderson Tel: 914-993-7926 E-mail: Brian.J.Anderson@chase.com	██████████ 8552	Money market account (excess cash).