

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**DECLARATION OF MICHAEL J. PAQUE ON
BEHALF OF KURTZMAN CARSON CONSULTANTS LLC
CERTIFYING THE METHODOLOGY FOR THE TABULATION OF
VOTES ON AND RESULTS OF VOTING WITH RESPECT TO
THE SECOND AMENDED JOINT PLAN OF AFFILIATED DEBTORS
PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

I, Michael J. Paque, hereby declare, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am a Senior Managing Consultant employed by Kurtzman Carson Consultants LLC (“KCC”), located at 2335 Alaska Ave, El Segundo, CA 90245. I am over the age of 18 and not a party to this action. KCC specializes in, among other things, providing notice, claims management, solicitation, and tabulation services to debtors in chapter 11 cases. By order, dated October 1, 2012, [Docket No. 67], the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) authorized Southern Air Holdings, Inc. and its affiliated debtor entities, as debtors and debtors in possession (collectively, the “Debtors”), to employ and engage KCC as claims and noticing agent pursuant to section 156(c) of the Bankruptcy Code. Further, by order, dated October 24, 2012 [Docket No. 197], the Bankruptcy Court authorized

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.



the Debtors to retain and employ KCC as administrative agent pursuant to section 327(a) of the Bankruptcy Code.

2. KCC has considerable experience in soliciting and tabulating votes to accept or reject proposed chapter 11 plans and elections thereunder, and I am duly authorized to make and submit this declaration (the "Declaration") on behalf of KCC regarding the solicitation process and the tabulation of votes on and elections under the *Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated January 28, 2013 (as it may be further amended, the "Plan").²

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my knowledge, my review of relevant documents, or my opinion based upon experience, knowledge, and information concerning the Debtors' chapter 11 cases. If called upon to testify, I can and will testify competently to the facts and opinions set forth herein.

4. The Court-approved procedures for solicitation and tabulation of votes on and elections pursuant to the Plan are set forth in the *Order (I) Approving the Proposed Disclosure Statement and the Form and Manner of the Notice of a Hearing Thereon, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Procedures for Confirmation of the Debtors' Plan, Pursuant to Sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3003, 3017, 3018, and 3020, and Local Rules 2002-1, 3017-1, and 9006-1* (the "Disclosure Statement Order") [Docket No. 518], entered by the Bankruptcy Court on January 29, 2013.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan, Disclosure Statement Order, or *Memorandum of Law in Support of Confirmation of the Second Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, filed contemporaneously herewith.

Schedules and Claims

5. On October 12, 2012, each of the Debtors filed with the Bankruptcy Court their schedules of assets and liabilities (the “Schedules of Assets and Liabilities”). On October 24, 2012, Southern Air Inc. and CF6-50, LLC filed with the Bankruptcy Court their first amended schedules of assets and liabilities (together with the Schedules of Assets and Liabilities, the “Amended Schedules of Assets and Liabilities”).

6. By order, dated October 25, 2012 (the “Bar Date Order”), the Court established November 28, 2012 (the “Bar Date”) as the deadline for each person, including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts, to file a proof of claim against the Debtors in these chapter 11 cases. The Bar Date Order further established March 27, 2013 as the deadline for each Governmental Unit (as defined in section 101(27) of the Bankruptcy Code) to file a proof of claim against the Debtors. Pursuant to the Bar Date Order, each creditor, subject to certain exceptions, was required to file a proof of claim on or before the applicable Bar Date.

7. In accordance with the Bar Date Order, KCC mailed notices of the Bar Date and proof of claim forms to, among others, all of the Debtors’ creditors and other known holders of claims as of the Petition Date. Notice of the Bar Date also was published in *The New York Times (National Edition)*.

8. Over 300 proofs of claim have been filed in these chapter 11 cases. The Debtors have begun the process of reviewing and reconciling the filed proofs of claim. In that regard, the Debtors have filed three (3) omnibus claims objections [Docket Nos. 501, 584, and 585]. As of the date hereof, twenty (20) claims have been expunged, disallowed, or withdrawn. As the Debtors’ claims agent, KCC has been maintaining the claims register in these chapter 11 cases

and keeping track of claims that have been filed, objected to, resolved, withdrawn, or allowed, as the case may be.

The Solicitation Process

9. Pursuant to the Plan and the Disclosure Statement Order, holders of Claims in Class 2 (Prepetition Lender Claims), Class 4 (General Unsecured Claims), Class 5 (Convenience Claims), and Class 6 (General Liability Insured Litigation Claims) were entitled to vote to accept or reject the Plan and to elect, among other things, whether to grant the releases set forth in Section 31.6 of the Plan (collectively, the “Voting Creditors”).

10. The Bankruptcy Court established January 29, 2013 as the Record Date for determining which holders of Claims shall be entitled to vote to accept or reject the Plan and make elections thereunder. In accordance with the Disclosure Statement Order, KCC relied on the Amended Schedules of Assets and Liabilities and the claims information pertaining to the Debtors’ chapter 11 cases, as reflected in KCC’s CaseView system, to identify the holders of claims in Class 4 (General Unsecured Claims), Class 5 (Convenience Claims), and Class 6 (General Liability Insured and Litigation Claims) entitled to vote to accept or reject the Plan and make elections thereunder. Pursuant to the Disclosure Statement Order, KCC relied on the Class 2 Information, provided by counsel to the Canadian Imperial Bank of Commerce, New York Agency (“CIBC”), as administrative agent under the Prepetition Credit Agreement, to identify holders of claims in Class 2 (Prepetition Lender Claims) entitled to vote to accept or reject the Plan and make elections thereunder.³

11. Using the information outlined above, and with specific guidance from the Debtors and Debtors’ counsel, KCC created a voting database reflecting the claims of the Voting

³ Pursuant to the terms and conditions of the Plan Support Agreement, the Consenting Lenders are deemed to grant the releases contained in Section 31.6 of the Plan.

Creditors and the names and addresses of such creditors. Using its CaseView voting database, KCC generated Ballots for holders of claims entitled to vote to accept or reject the Plan and make elections thereunder.

12. On or before February 1, 2013, KCC caused to be served Solicitation Packages containing Ballots to the Voting Creditors. In addition to customized Ballots, the Solicitation Packages for the Voting Creditors contained: (i) the Confirmation Hearing Notice; (ii) a CD-Rom containing the Disclosure Statement Order (without attachments) and the Disclosure Statement (which included the Plan as an attachment); (iii) the Debtors' Letter and the Creditors' Committee's Letter; and (iv) a postage-prepaid envelope.

13. Likewise, on or before February 1, 2013, KCC caused to be served Solicitation Packages containing the applicable Notice of Non-Voting Status to holders of Claims and Equity Interests who, pursuant to the Disclosure Statement Order, were not entitled to vote. Such Solicitation Packages did not contain copies of the Plan or Disclosure Statement but did include a copy of the Confirmation hearing Notice.

14. The Disclosure Statement Order established March 5, 2013 at 8:00 p.m. (Eastern Time) as the deadline for receiving Ballots to accept or reject the Plan (the "Ballot Date").

The Tabulation Process

15. Pursuant to the Disclosure Statement Order, KCC received and tabulated Ballots as follows: (i) each returned Ballot was opened and inspected at KCC's office; (ii) Ballots were date- and time-stamped upon receipt and scanned into KCC CaseView; and (iii) all Ballots received on or before the Ballot Date were then entered into KCC CaseView and tabulated in accordance with the tabulation procedures outlined in the Disclosure Statement Order. For a Ballot to be counted as valid, the Ballot must have been properly completed and executed by the

holder of a Claim, or such holder's authorized representative, and must have been received on or before the Ballot Deadline, unless otherwise extended in writing by the Debtors.

16. Annexed as Exhibit A to this Declaration is a true and correct copy of a detailed report of Ballots tabulated for the Voting Creditors (the "Tabulation Report")

17. Annexed as Exhibit B to this Declaration is a listing of all Class 4 and Class 5 Ballots received by KCC from Voting Creditors. Pursuant to paragraph 10 of the Disclosure Statement Order, the listing of Class 2 Ballots has not been included in order to maintain the confidentiality of the Class 2 information.

18. Annexed as Exhibit C to this Declaration is a detailed listing of any Ballots not included in the Tabulation Report because they did not satisfy the requirements for a valid Ballot set forth in the Disclosure Statement Order for the reasons described below:

- Late-Filed Ballots – pursuant to the Disclosure Statement Order, Ballots that were received after the Ballot Date were not tabulated, unless otherwise indicated by the Debtors;

CONCLUSION

19. I declare under penalty of perjury that the foregoing information concerning the distribution, submission and tabulation of Ballots in connection with the Plan is true and correct. The Ballots received by KCC are stored at KCC's offices and are available for inspection by or submission to this Court.

Dated: March 11, 2013



Michael J. Paque

Exhibit A

Exhibit A

Summary Ballot Report by Class

Class Name	Class Description	Unacceptable Votes	Members Voted	Members Accepted	Members Rejected	% Members Accepted	% Members Rejected	Total \$ Voted	\$ Accepted	\$ Rejected	% \$ Accepted	% \$ Rejected
2	Prepetition Lender Claims	0	42	42	0	100.00	0.00	\$267,627,249.17	\$267,627,249.17	\$0.00	100.00	0.00
4	General Unsecured Claims	9	34	27	7	79.41	20.59	\$47,089,302.66	\$46,196,995.83	\$892,306.83	98.11	1.89
5	Convenience Claims	2	21	21	0	100.00	0.00	\$32,294.79	\$32,294.79	\$0.00	100.00	0.00

Exhibit B

Class 4: General Unsecured Claims

Ballot Number	Creditor Name	Date Received	Voting Amount	Vote on the Second Amended Plan:
51	Air France Industries	3/1/13	\$246,766.58	Accept
89	CANADIAN IMPERIAL BANK OF COMMERCE	3/5/13	\$75,000.00	Accept
12	CERTIFIED AVIATION SERVICES LLC	2/15/13	\$8,704.00	Accept
30	DHL Same Day (Sky Courier, Inc.)	2/28/13	\$21,339.99	Accept
59	EPCOR	3/4/13	\$113,404.80	Accept
55	ESPOSITO DESIGN ASSOCIATES INC	3/4/13	\$4,234.80	Reject
14	F & E AIRCRAFT MAINTENANCE LAX	2/15/13	\$173,470.50	Reject
1	First Class Air Repair	2/11/13	\$559,800.00	Reject
6	Genesis Aviation, Inc.	2/12/13	\$83,383.62	Reject
74	J.A.M. de Rijk B.V.	3/4/13	\$5,139.39	Accept
25	KEMKO AEROSPACE LLC	2/22/13	\$48,294.91	Reject
69	KLM ROYAL	3/4/13	\$3,453.16	Accept
72	KLM ROYAL DUTCH AIRLINES	3/4/13	\$1,363,470.98	Accept
93	MCINTYRE GROUP	3/5/13	\$3,641.23	Accept
91	MTU Maintenance Hannover GMBH	3/5/13	\$1,907,884.31	Accept
7	NATIONAL AIR CARRIER ASSOCIATION INC.	2/12/13	\$15,150.00	Accept
19	NICK SABATINI & ASSOCIATES LLC	2/19/13	\$5,612.25	Accept
8	Oak Hill Capital Partners II L.P.	2/14/13	\$2,381,356.86	Accept
16	OH AA-1, L.L.C.	2/15/13	\$1.00	Accept
15	OH AA-2, L.L.C.	2/15/13	\$1.00	Accept
11	OH AA-3, L.L.C.	2/15/13	\$1.00	Accept
9	OH AA-4, L.L.C.	2/14/13	\$1.00	Accept
92	PC Connection Sales Corp.	3/5/13	\$62,866.13	Accept
5	PLS AVIATION SERVICES INC.	2/12/13	\$15,525.00	Reject
24	Quality Air Services Inc	2/22/13	\$7,398.17	Accept
58	ROBERT ELMDANAT	3/4/13	\$7,598.00	Reject
37	Rodriguez & Cavelier	2/28/13	\$44,755.98	Accept
2	SEALED AIR	2/11/13	\$3,985.82	Accept
18	SHAOXI XU-THOMSON	2/19/13	\$300,000.00	Accept
39	SKY COURIER INC	2/28/13	\$8,014.52	Accept
26	TAXIS MELKIOR S.A.	2/22/13	\$1.00	Accept
38	Total Quality Logistics	2/28/13	\$33,316.15	Accept
20	Wells Fargo Bank Northwest, National Association, As Owner Trustee	2/20/13	\$19,677,704.92	Accept
21	Wells Fargo Bank Northwest, National Association, As Owner Trustee	2/20/13	\$19,908,025.59	Accept

Exhibit B

Class 5: Convenience Claims

Ballot Number	Creditor Name	Date Received	Voting Amount	Vote on the Second Amended Plan:
10	ALLIANCE TRANSPORT SERVICES LLC	2/14/13	\$95.00	Accept
17	Brookwood Temporary Solutions	2/19/13	\$957.60	Accept
47	City Carting Inc. and Related Companies	3/1/13	\$1,047.55	Accept
33	CLW REAL ESTATE SERVICE GROUP	2/28/13	\$2,000.00	Accept
29	Debt Acquisition Company of America V, LLC	2/25/13	\$1,085.83	Accept
32	DEIDRE OBRIEN	2/28/13	\$2,000.00	Accept
34	DHL Express - US	2/28/13	\$2,000.00	Accept
4	EAST AIR CORP	2/12/13	\$2,000.00	Accept
23	FLIGHT DATA SERVICES	2/22/13	\$2,000.00	Accept
22	GEORGE S. HOENIG LLC	2/22/13	\$2,000.00	Accept
13	GRG Aircraft & Leasing, Inc.	2/15/13	\$2,000.00	Accept
77	INTERNATIONAL TECHNICAL CONSULTANTS	3/4/13	\$1,500.00	Accept
31	KIMBALL ELECTRONIC LABORATORY INC	2/28/13	\$2,000.00	Accept
35	MainFreight Inc (US)	2/28/13	\$1,063.74	Accept
28	PACIFIC LUMBER INSPECTION BUREAU	2/22/13	\$975.00	Accept
66	SATCOM GLOBAL INC.	3/4/13	\$2,000.00	Accept
54	Service Public de Wallonie	3/4/13	\$2,000.00	Accept
3	Southern Pride Trucking, Inc.	2/12/13	\$750.00	Accept
57	Swissport USA, Inc.	3/4/13	\$2,000.00	Accept
56	WINSPIRE SPORTS ENTERTAINMENT	3/4/13	\$2,000.00	Accept
27	XEROX FINANCIAL SERVICES	2/22/13	\$820.07	Accept

Exhibit C

Exhibit C

Unacceptable Ballots

Class	Ballot Number	Creditor Name	Date Received	Voting Amount	Vote on the Second Amended Plan:	Reason Unacceptable:
4	103	ALLIANCE GROUND INTERNATIONAL	3/7/13	\$4,427.50	Accept	Late Filed
4	105	APSCO (AIR PARTS AND SUPPLY)	3/7/13	\$4,186.00	Reject	Late Filed
4	106	Auto Alig Verkehrsbetrieb GmbH	3/8/13	\$1.00	Accept	Late Filed
4	100	C.A.L. - Cargo Air Lines, Ltd	3/7/13	\$49,368.33	Reject	Late Filed
5	102	CARGO FORCE	3/7/13	\$428.00	Accept	Late Filed
4	104	EVERGREEN AIR CENTER INC.	3/7/13	\$2,761.06	Accept	Late Filed
4	99	MARANA AEROSPACE SOLUTIONS	3/7/13	\$57,276.66	Accept	Late Filed
4	101	SHELTAIR AVIATION JFK LLC	3/7/13	\$8,271.19	Accept	Late Filed
5	108	Taxi-und Limousinenservice	3/8/13	\$1,363.50	Accept	Late Filed
4	107	TRIUMPH AIR REPAIR	3/8/13	\$42,800.00	Accept	Late Filed
4	98	WILLIAM E. BROOKS	3/6/13	\$5,669.15	Accept	Late Filed