

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

In Re:) Chapter 11
)
Patriot Coal Corporation, *et al.*) Case No. 12-51502
)
Debtors.) No Hearing Necessary

**NOTICE OF FILING OF THE FINAL STIPULATION BETWEEN THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND THE
PRE-PETITION SECURITIZATION ADMINISTRATOR**

Notice is provided of the filing of the *Final Stipulation between the Official Committee of Unsecured Creditors and the Pre-Petition Securitization Administrator Regarding Final Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363 and (II) Granting Adequate Protection to Pre-Petition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364.*

No further action or hearing is necessary.

Respectfully submitted,

OFFICIAL COMMITTEE OF UNSECURED
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing *Notice of Filing of the Final Stipulation* was filed on February 8, 2013 using the Court's CM/ECF system, which sent a copy to all parties receiving electronic notices in this case.

/s/ Angela L. Schisler
Angela L. Schisler

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI

_____)	
In re:)	Chapter 11
)	
PATRIOT COAL CORPORATION, <u>et al.</u> ,)	Case No. 12-51502
)	
Debtors.)	Jointly Administered
_____)	

**FINAL STIPULATION BETWEEN THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS AND THE PRE-PETITION
SECURITIZATION ADMINISTRATOR REGARDING FINAL ORDER
(I) AUTHORIZING DEBTORS (A) TO OBTAIN POST-PETITION
FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 364(C)(1),
364(C)(2), 364(C)(3), 364(D)(1) AND 364(E), AND (B) TO UTILIZE CASH
COLLATERAL PURSUANT TO 11 U.S.C. § 363 AND (II) GRANTING
ADEQUATE PROTECTION TO PRE-PETITION SECURED LENDERS
PURSUANT TO 11 U.S.C. §§ 361, 362, 363 AND 364**

WHEREAS:

A. On July 9, 2012, (the "**Petition Date**"), Patriot Coal Corporation and certain of its affiliates (the "**Debtors**") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**"). The Debtors' cases are being jointly administered pursuant to Rule 1005(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"). Each Debtor is continuing to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. On August 3, 2012, this Court entered the *Final Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363 and (II) Granting Adequate Protection to Pre-Petition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364* [Docket No. 275] (as modified by that

certain (i) *Stipulation Between the Official Committee of Unsecured Creditors and the Pre-Petition Securitization Administrator Extending the Challenge Period*, dated October 18, 2012 [Docket No. 1392], (ii) *Second Stipulation Between The Official Committee of Unsecured Creditors and the Pre-Petition Securitization Administrator Extending the Challenge Period*, dated November 26, 2012 [Docket No. 1625] and (iii) *Stipulation Between the Official Committee of Unsecured Creditors and the Pre-Petition Securitization Administrator Regarding Final Order (I) Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363 and (II) Granting Adequate Protection to Pre-Petition Secured Lenders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364* dated December 14, 2012 (the “**Remaining Issues Stipulation**”) [Docket No. 1750], collectively, the “**Final DIP Order**”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Final DIP Order.

C. Pursuant to the Final DIP Order, the stipulations and admissions contained in the Final DIP Order, including, without limitation, Paragraph 4 of the Final DIP Order, became binding on (i) the Debtors and any successor thereto as of the date of entry of the Final DIP Order, and (ii) all parties in interest (other than the Committee (as defined below)), under all circumstances and for all purposes as of November 1, 2012.

D. Pursuant to Paragraph 19 of the Final DIP Order, the Official Committee of Unsecured Creditors (the “**Committee**”) had the right to properly commence an adversary proceeding or contested matter by no later than January 31, 2013 (as extended by prior stipulation or agreement of the Pre-Petition Securitization Administrator, the “**Challenge Deadline**”) (x) challenging the validity, enforceability, priority, or extent of the Pre-Petition

Debt or the Pre-Petition Securitization Administrator's or the Pre-Petition Securitization Lenders' liens on the Pre-Petition Collateral or (y) otherwise asserting or prosecuting any action for preferences, fraudulent conveyances, other avoidance power claims, or any other claims, counterclaims or causes of action, objections, contests, or defenses against the Pre-Petition Securitization Administrator, any of the Pre-Petition Securitization Lenders, or their affiliates, representatives, attorneys or advisors on behalf of the Debtors' estates (the claims and causes of action referred to in subparts (x) and (y) above are hereinafter referred to collectively as the "**Potential Causes of Action**").

E. In accordance with the Remaining Issues Stipulation, the Pre-Petition Securitization Administrator agreed to an extension of the Challenge Deadline through January 31, 2012, solely with respect to the specific matters enumerated in Paragraph 1 of the Remaining Issues Stipulation (collectively, the "**Remaining Issues**").

F. Pursuant to the Remaining Issues Stipulation, the Committee agreed that, except with respect to the Remaining Issues, it would not assert any other Potential Causes of Action against the Pre-Petition Securitization Administrator or any of the Pre-Petition Securitization Lenders.

G. Since the Remaining Issues Stipulation was entered into, the Committee has completed its investigation of the Remaining Issues as they may relate to any Potential Causes of Action against the Pre-Petition Securitization Administrator or any of the Pre-Petition Securitization Lenders.

H. From this investigation, the Committee identified certain accounts receivable and related rights and security interests that are the result of, or arise, directly or indirectly, from the sale to third parties of coal and derived from the specific real property and

related interests owned or leased by the Debtors as of the Petition Date that the Committee could not verify the Pre-Petition Securitization Administrator and/or the Pre-Petition Securitization Lenders had, as of the Petition Date, a properly perfected lien on or security interest (as more particularly identified on Exhibit A hereto, the “**Potentially Unencumbered Assets**”).

I. The Pre-Petition Securitization Administrator has asserted, and the Committee does not dispute, that, without regard to the Potentially Unencumbered Assets, the Pre-Petition Securitization Administrator and the Pre-Petition Securitization Lenders did have, and as of the Petition Date had, a properly perfected lien on or security interest in the remainder of the Pre-Petition Collateral securing the Pre-Petition Debt (collectively, the “**Encumbered Assets**”), and that the value of the Encumbered Assets exceeded the Pre-Petition Debt of the Pre-Petition Securitization Lenders without regard to whether the Pre-Petition Securitization Administrator could establish a valid and perfected lien and security interest in and to any of the Potentially Unencumbered Assets.

J. The Committee thoroughly investigated not only the lien and security interests of the Pre-Petition Securitization Administrator and other Pre-Petition Securitization Lenders in the Encumbered Assets but also the value of the Encumbered Assets as of the Petition Date and, as a result of such investigation, the Committee has determined that even if it could establish that the Pre-Petition Securitization Administrator and any of the Pre-Petition Securitization Lenders did not hold a valid and perfected lien in **all** of the Potentially Unencumbered Assets, there still would not be any basis to file a complaint based on any Potential Cause of Action to avoid and/or challenge the repayment of the Pre-Petition Debt to the Pre-Petition Securitization Administrator or the Pre-Petition Securitization Lenders; and

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the parties hereto, that:

1. The Recitals set forth above are incorporated herein by reference and made a part of this Final Stipulation as if set forth in their entirety in this paragraph.

2. Except as otherwise set forth herein, the terms of the Final DIP Order shall remain in full force and effect with respect to the Pre-Petition Securitization Administrator and other Pre-Petition Securitization Lenders.

3. This Stipulation may be executed in one or more counterparts, by facsimile or electronic mail, all of which shall be considered one and the same agreement, and shall become effective immediately upon execution by counsel for the Committee and counsel for the Pre-Petition Securitization Administrator.

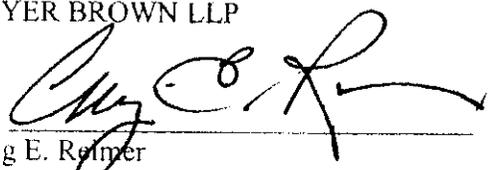
4. This Stipulation may not be changed, amended, modified, or altered except by written agreement signed by each of the parties to this Stipulation.

6. This Court shall retain jurisdiction to hear any matters or disputes arising from or related to this Stipulation.

[Signature page follows.]

Dated: February 5, 2013
Chicago, Illinois

MAYER BROWN LLP

By: 

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*Counsel to Fifth Third Bank, as Pre-Petition
Securitization Administrator*

Dated: February 7, 2013
Hackensack, New Jersey

COLE, SCHOTZ, MEISEL, FORMAN &
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