

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

**Chapter 11
Case No. 12-51502-659
(Jointly Administered)**

RE: Doc. No. 3214

**SURETIES' RESERVATION OF RIGHTS REGARDING
DEBTORS' MOTION TO REJECT COLLECTIVE BARGAINING AGREEMENTS
AND TO MODIFY RETIREE BENEFITS PURSUANT
TO 11 U.S.C. §§ 1113, 1114 OF THE BANKRUPTCY CODE**

Argonaut Insurance Company, Indemnity National Insurance Company, US Specialty Insurance, Westchester Fire Insurance Company, and Travelers Casualty and Surety Company of America (together, "Sureties"), through counsel, respectfully submit this Reservation of Rights in response to the Debtors' Motion to Reject Collective Bargaining Agreements and to Modify Retiree Benefits Pursuant to 11 U.S.C. §§ 1113, 1114 of the Bankruptcy Code (the "Motion"). In support of this Reservation of Rights, the Sureties state as follows:

The Sureties are commercial surety companies that have issued approximately \$116 million in reclamation and other surety bonds on behalf of one or more of the Debtors in these jointly-administered cases. Most of these bonds are required by the state-implemented programs approved under the federal Surface Mining Control and Reclamation Act ("SMCRA").¹ The bonds were issued on behalf of individual Debtor entities as principal and/or the bonds are subject to written Indemnity Agreements with certain Non-Obligor Debtors (as defined in the Motion). The surety-principal relationship and the contractual Indemnity Agreements give the Sureties certain rights, including the right to indemnity, concerning the bonds.

¹30 U.S.C. § 1201 *et seq.*; Ky. Rev. Stat. Chapter 350; W. Va. Code Chapter 22, Article 3.

The Sureties submit this Reservation of Rights to reserve their rights to object to the Motion to the extent that any property of, or claims against, Non-Obligor Debtors are proposed to be used to satisfy claims that the UMWA may possess solely against Obligor Debtors. As an illustrative (but non-exhaustive) example, the Debtors' Fourth Proposal purports to grant to the UMWA an "allowed unsecured claim against Patriot's estate" without specifying the amount of such claim, or against which estate(s) such a claim would lie. *See* Dkt. No. 3284 at Ex. 1, ¶ 5. Allowing a claim of unknown size in favor of the UMWA against Non-Obligor estates would prematurely and improperly dilute the recovery of creditors (including the Sureties) who, unlike the UWMA, have recourse against Non-Obligor Debtors.

Lexington, Kentucky
Dated: April 12, 2012

By: /s/ Chrisandrea L. Turner
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Westchester Fire Insurance Company, and
Travelers Casualty and Surety Co. of America*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing response was filed on April 12, 2013, using the Court's CM/ECF system, which sent a copy to all parties receiving electronic notices in this case.

/s/ Chrisandrea L. Turner
Chrisandrea L. Turner
An Attorney for the Sureties

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