

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 12-51502-659

(Jointly Administered)

Hearing Date: February 25, 2014

Hearing Time: 10:00 a.m. Central

Location: Courtroom 7-N, St. Louis

**REORGANIZED DEBTORS' TWENTY-SEVENTH
OMNIBUS OBJECTION TO CLAIMS
(Employment-Related / Books and Records)**

Patriot Coal Corporation and its affiliates (the “Debtors” or the “Reorganized Debtors”), pursuant to 11 U.S.C. § 502 and Fed. R. Bankr. P. 3007, respectfully file this Twenty-Seventh Omnibus Objection to Claims (the “Objection”). In support of this Objection, the Reorganized Debtors show the Court as follows:

Relief Requested

1. By this Objection, the Reorganized Debtors object to certain claims listed on Exhibits A through E attached hereto (the “Claims”) because the Claims are inconsistent with the Reorganized Debtors’ books and records or otherwise inconsistent with governing legal principles. The Reorganized Debtors request entry of an order, pursuant to Section 502 of the Bankruptcy Code and Fed. R. Bankr. P. 3007, modifying or disallowing the Claims.

2. **Parties receiving this Objection should locate their names on the attached exhibits.** Any response to this Objection should include, among other things, (i) an appropriate caption, including the title and date of this Objection; (ii) the name of the claimant, both the

EDMO and GCG claim numbers of the claim that the Reorganized Debtors are seeking to disallow, and a description of the basis for the amount claimed; (iii) a concise statement setting forth the reasons why the Court should not sustain this Objection, including, but not limited to, the specific factual and legal bases upon which the claimant relies in opposing this Objection; (iv) copies of any documentation and other evidence which the claimant will rely upon in opposing this Objection at a hearing; and (v) the name, address, telephone number and facsimile number of a person authorized to reconcile, settle or otherwise resolve the claim on the claimant's behalf. A claimant that cannot timely provide such documentation and other evidence should provide a detailed explanation as to why it is not possible to timely provide such documentation and other evidence.

Jurisdiction

3. This Court has jurisdiction over this Objection under 28 U.S.C. § 1334. Venue of this proceeding is proper pursuant to 28 U.S.C. § 1409. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. Ninety-nine of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on July 9, 2012 in the United States Bankruptcy Court for the Southern District of New York (the "Petition Date").

6. On December 19, 2012, these Debtors' cases were transferred to the United States Bankruptcy Court for the Eastern District of Missouri [Dkt. No. 1789].

7. The bar date for filing proofs of claim against these Debtors was December 14, 2012 [Dkt. No. 1388].

8. On March 1, 2013, the Court entered its Order Establishing Procedures for Claims Objections [Dkt. No. 3021].

9. Debtors Brody Mining, LLC and Patriot Ventures LLC filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on September 23, 2013 in this Court. The bar date for filing proofs of claim against these Debtors was October 24, 2013.

10. On December 17, 2013, the Court confirmed the Debtors' Fourth Amended Plan of Reorganization (the "Plan") [Dkt. No. 5169]. The Effective Date occurred on December 18, 2013.

Objection and Argument

A. Waived Claim

11. The Reorganized Debtors object to the Claim identified on Exhibit A, incorporated herein by reference (the "Waived Claim"), because the claimant waived the claim after filing his proof of claim.¹

12. The Reorganized Debtors have reviewed the Waived Claim, which is for a retention bonus arising from an employment letter dated October 18, 2011. The claimant, Clarence R. Peters, subsequently waived his right to that bonus when he elected to participate in the Debtors' Critical Employee Retention Program. *See* Declaration of Michael J. Luna, attached hereto as Exhibit F.

¹ Certain creditors listed on the exhibits hereto may be clients of one or more of the law firms representing the Reorganized Debtors. Any dispute regarding this Objection will be handled by attorneys for the Reorganized Debtors from a law firm that does not represent the applicable creditor.

13. The Reorganized Debtors accordingly request that the Waived Claim be disallowed.

B. Claims Not Entitled to Priority

14. The Reorganized Debtors object to the Claims identified on Exhibit B, incorporated herein by reference (the “Purported Priority Claims”), to the extent that they are asserted as statutory priority claims rather than as general unsecured claims.

15. The Reorganized Debtors have reviewed each of the Purported Priority Claims listed on Exhibit B. The Reorganized Debtors do not dispute the total amounts of these Claims, but the Claims are not entitled to priority treatment. In particular, the Purported Priority Claims arise from obligations accruing more than 180 days before the Petition Date, such that they are not entitled to priority under Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code. *See* Declaration of Michael J. Luna.

16. The Reorganized Debtors request that each of the Purported Priority Claims be modified in the claims register to reflect the priorities of the applicable Modified Amount and Classification, as indicated on Exhibit B.

C. Wrong Debtor

17. The Reorganized Debtors object to the Claim identified on Exhibit C, incorporated herein by reference (the “Wrong Debtor Claim”), because it has been asserted against a Debtor that is not liable for it.

18. Exhibit C sets forth the name of the Debtor against which the Wrong Debtor Claim was filed (the “Claimed Debtor”). The Reorganized Debtors have reviewed the Wrong

Debtor Claim and have determined that the Claimed Debtor does not have a business relationship with the creditor asserting the Claim or that the Claim does not arise out of the relationship between the Claimed Debtor and the creditor. *See* Declaration of Michael J. Luna. Rather, the Wrong Debtor Claim relates to the creditor's relationship with the Debtor identified on Exhibit C as the "Reassigned Debtor."

19. The Reorganized Debtors request that the Court disallow the Wrong Debtor Claim as a Claim against the Claimed Debtor and that the claims register be modified to identify the Wrong Debtor Claim as asserted against the Reassigned Debtor.

D. Wrong Debtor and Wrong Amount

20. The Reorganized Debtors object to the Claim identified on Exhibit D, incorporated herein by reference (the "Wrong Debtor/Wrong Amount Claim"), because it has been asserted against a Debtor that is not liable for it and it exceeds the amount owed to the creditor as of the Petition Date.

21. The Reorganized Debtors have reviewed the Wrong Debtor/Wrong Amount Claims and have determined that the Claimed Debtor does not have a business relationship with the creditor asserting the Claim or that the Claim does not arise out of the relationship between the Claimed Debtor and the creditor. In addition, the amount claimed by the creditor exceeds the applicable Debtor's obligation to the creditor as of the Petition Date. *See* Declaration of Michael J. Luna. Exhibit D also includes what the Reorganized Debtors believe to be the appropriate amount and the appropriate Reassigned Debtor for the Wrong Debtor/Wrong Amount Claim, in accordance with the Reorganized Debtors' books and records (the "Modified Claim").

22. The Reorganized Debtors request that the Court disallow the Wrong Debtor/Wrong Amount Claim as a Claim against the Claimed Debtor and that the claims register be modified to identify the Wrong Debtor/Wrong Priority Claim as asserted against the applicable Reassigned Debtor in the amount reflected in the Modified Claim.

E. Unaffected Benefits

23. The Reorganized Debtors object to each of the Claims identified on Exhibit E, incorporated herein by reference (the “Long-Term Disability Claims”), because the claimants appear to be asserting claims for long-term disability benefits that have not been modified or otherwise affected by the Debtor’s bankruptcy cases. The claimants thus have no right to recover from the Debtors’ bankruptcy estates.

24. The Reorganized Debtors have reviewed each of the Long-Term Disability Claims and have determined that the claimants receive long-term disability benefits under an ERISA plan sponsored by the Reorganized Debtors. The claimants’ receipt of long-term disability benefits has not been modified or otherwise affected by the Debtors’ bankruptcy cases. *See* Declaration of Michael J. Luna. Because the creditors asserting the Long-Term Disability Claims have not been harmed, they do not have claims cognizable in these Chapter 11 cases.

25. The Reorganized Debtors request that each of the Long-Term Disability Claims be disallowed, without prejudice to the claimants’ continued receipt of benefits.

WHEREFORE, the Reorganized Debtors respectfully request that this Court:

- (a) modify, reclassify, and/or disallow the Claims, as described above; and
- (b) grant such other and further relief as is just and proper.

Dated: January 31, 2014
St. Louis, Missouri

Respectfully submitted,
BRYAN CAVE LLP

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Local Counsel to the Reorganized Debtors

-and-

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Exhibit A

Omnibus Objection to Claims

**Patriot Coal Corporation
12-51502 (KSS)**

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

SEQ NO.	CLAIM(S) TO BE DISALLOWED			
	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	CLAIM AMOUNT
1	CLARENCE R. PETERS 281 CABELL DRIVE MADISON, WV 25130 Date Filed: 12/14/12 ED MO Date Filed: 02/27/13 Debtor: MIDLAND TRAIL ENERGY LLC	3214	3007-1	Priority: \$100,000.00 Unsecured: Unliquidated

* Denotes an unliquidated component.

Exhibit B

Omnibus Objection to Claims

**Patriot Coal Corporation
12-51502 (KSS)**

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

SEQ NO.	CLAIM(S) TO BE MODIFIED			MODIFIED AMOUNT AND CLASSIFICATION
	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	
1	JAMES P. BORTON 279 THREE ACRES WOODS LN HARTFORD, KY 42347 Date Filed: 12/11/12 ED MO Date Filed: 02/27/13 Debtor: HERITAGE COAL COMPANY LLC	1556	3005-1	Priority: \$11,725.00 Unsecured: \$11,378.63
2	JAMES P. BORTON 279 THREE ACRES WOODS LN HARTFORD, KY 42347 Date Filed: 12/11/12 ED MO Date Filed: 02/25/13 Debtor: HERITAGE COAL COMPANY LLC	1557	1266-1	Priority: \$420.51 Unsecured: \$420.51
3	CLIFFORD A. KUHN HC 34 BOX 387 LEWISBURG, WV 24901 Date Filed: 11/29/12 ED MO Date Filed: 02/27/13 Debtor: GATEWAY EAGLE COAL COMPANY, LLC	957	3263-1	Priority: \$18,476.64 Unsecured: \$18,476.64

Exhibit C

Omnibus Objection to Claims

Patriot Coal Corporation
12-51502 (KSS)

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

CLAIM(S) TO BE REASSIGNED						
SEQ NO.	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	CLAIM AMOUNT	CLAIMED DEBTOR	REASSIGNED DEBTOR
1	FRANK PEDUTI 192 SPORTSMAN LN WAYNESBURG, PA 15370 Date Filed: 12/14/12 ED MO Date Filed: 02/27/13	2793	1789-1	Unsecured: \$67,775.94	EASTERN COAL COMPANY, LLC	EASTERN ASSOCIATED COAL, LLC

Exhibit D

Omnibus Objection to Claims

Patriot Coal Corporation
12-51502 (KSS)

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

CLAIM(S) TO BE MODIFIED							
SEQ NO.	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	CLAIMED AMOUNT AND CLASSIFICATION	MODIFIED AMOUNT AND CLASSIFICATION	CLAIMED DEBTOR	REASSIGNED DEBTOR
1	DARRELL J. TRENT 6 ALEXA WAY ELKVIEW, WV 25071 Date Filed: 11/29/12 ED MO Date Filed: 02/27/13 Debtor: PCX ENTERPRISES, INC.	950	3301-1	Unsecured: \$61,187.27	Unsecured: \$42,357.70	PCX ENTERPRISES, INC.	PATRIOT COAL SERVICES LLC

Exhibit E

Omnibus Objection to Claims

**Patriot Coal Corporation
12-51502 (KSS)**

Note: Claims on the exhibit are sorted in alphabetical order based on the creditor name as listed on proof of claim form.

SEQ NO.	CLAIM(S) TO BE DISALLOWED			
	NAME	GCG CLAIM NO.	ED MO CLAIM NO.	CLAIM AMOUNT
1	ANNA G. HARDISON 350 BEECH CREEK BROWDER DRIVE BEECH CREEK, KY 42321 Date Filed: 12/05/12 ED MO Date Filed: 02/25/13 Debtor: HERITAGE COAL COMPANY LLC	1115	1219-1	Unsecured: Unliquidated
2	DENNIS C. AMOS 2506 SWAN LANE LAS VEGAS, NV 89121 Date Filed: 12/08/12 ED MO Date Filed: 02/25/13 Debtor: PATRIOT COAL CORPORATION	1315	1249-1	Unsecured: Unliquidated
3	GAYLON E HOPPER 479 MT CARMEL POND RIVER WHITE PLAINS, KY 42464 Date Filed: 12/10/12 ED MO Date Filed: 02/25/13 Debtor: PATRIOT COAL CORPORATION	1401	844-1	Priority: Unliquidated
4	GAYLON E. HOPPER 479 MT CARMEL POND RIVER WHITE PLAINS, KY 42464 Date Filed: 12/10/12 ED MO Date Filed: 02/25/13 Debtor: HERITAGE COAL COMPANY LLC	1400	1216-1	Priority: Unliquidated
5	RALPH D. DEBOARD BOX 569 COAL CITY, WV 25823 Date Filed: 12/01/12 ED MO Date Filed: 02/27/13 Debtor: PATRIOT COAL CORPORATION	1026	3318-1	Priority: Unliquidated

* Denotes an unliquidated component.

EXHIBIT F

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

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

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

**DECLARATION OF MICHAEL J. LUNA IN SUPPORT OF REORGANIZED
DEBTORS' TWENTY-SEVENTH OMNIBUS OBJECTION TO CLAIMS**

Michael J. Luna declares, pursuant to 28 U.S.C. § 1746, to the best of his knowledge and based upon the documents available to him, as follows:

1. I am Vice President – Human Resources and Employee Services for Patriot Coal Services, LLC.
2. Capitalized terms not defined in this Declaration have the meanings given to them in the Reorganized Debtors' Twenty-Seventh Omnibus Objection to Claims, which is being filed with the Court herewith.
3. I, or my colleagues, have reviewed each of the proofs of claim identified on Exhibits A through E to the Objection (the "Claims"). I also have requested that legal issues underlying the Claims be reviewed by the Reorganized Debtors' in-house counsel or bankruptcy counsel.
4. The Claim identified on Exhibit A (the "Waived Claim") is for a retention bonus arising from an employment letter dated October 18, 2011. The claimant, Clarence R. Peters,

subsequently waived his right to that bonus when he elected to participate in the Debtors' Critical Employee Retention Program.

5. For the Claims identified on Exhibit B (the "Purported Priority Claims"), the Reorganized Debtors do not dispute the total amounts owed. However, these Claims arise from obligations accruing more than 180 days before the Petition Date.

6. The Claim identified on Exhibit C (the "Wrong Debtor Claim") has been asserted against a Debtor that is not liable for it. The Claimed Debtor does not have a business relationship with the creditor asserting the Claim, or the Claim does not arise out of the relationship between the Claimed Debtor and the creditor. Rather, the Wrong Debtor Claim relates to the creditor's relationship with the Debtor identified on Exhibit C as the "Reassigned Debtor."

7. The Claim identified on Exhibit D (the "Wrong Debtor/Wrong Amount Claim") has been asserted against a Debtor that is not liable for it. That Claim also exceeds the amount owed to the creditor as of the Petition Date. The Claimed Debtor does not have a business relationship with the creditor asserting the Claim, or the Claim does not arise out of the relationship between the Claimed Debtor and the creditor. In addition, the amount claimed by the creditor exceeds the applicable Debtor's obligation to the creditor as of the Petition Date. Exhibit D also includes what the Reorganized Debtors believe to be the appropriate amount and the appropriate Reassigned Debtor for the Wrong Debtor/Wrong Amount Claim, in accordance with the Reorganized Debtors' books and records.

8. The Claims identified on Exhibit E (the "Long-Term Disability Claims") appear to be claims for long-term disability benefits that have not been modified or otherwise affected by the Debtor's bankruptcy cases. The creditors asserting the Long-Term Disability Claims

receive long-term disability benefits under an ERISA plan sponsored by the Reorganized Debtors. The claimants' receipt of long-term disability benefits has not been modified or otherwise affected by the Debtors' bankruptcy cases.

9. The facts set forth in this Declaration are based on my firsthand knowledge and on my review of certain business records of the Reorganized Debtors. All such records were made at or near the time of the matters recorded by, or from information transmitted by, someone with knowledge of those matters. These records are kept in the course of the regularly conducted business activities of the Reorganized Debtors, and making such records is a regular practice of the Reorganized Debtors. I am the custodian of such records.

10. I declare under penalty of perjury that the foregoing is true and correct. Executed on January 30, 2014.

/s/ Michael J. Luna
Michael J. Luna