UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
COACH AM GROUP HOLDINGS CORP., *et al.*[1]	Case No. 12-10010 (KG)
Debtors.	(Jointly Administered)

APPLICATION OF THE DEBTORS FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. §§ 327, 328 AND 1107 AND FED. R. BANKR. P. 2014 AUTHORIZING THE EMPLOYMENT AND RETENTION OF LOWENSTEIN SANDLER PC AS COUNSEL TO THE DEBTORS EFFECTIVE AS OF THE PETITION DATE

The above-captioned debtors and debtors in possession (collectively, the "**Debtors**"), by and through their proposed counsel, submit this application (the "**Application**") for entry of an order pursuant to sections 327(a), 328 and 1107 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 2014 of the Federal Rules of Bankruptcy Procedures (the "**Bankruptcy Rules**") authorizing the employment and retention of Lowenstein Sandler PC

[1] Coach Am Group Holdings Corp. (4830); Coach Am Holdings Corp. (1816); Coach America Holdings, Inc. (2841); American Coach Lines, Inc. (2470); America Charters, Ltd. (8246); American Coach Lines of Atlanta, Inc. (4003); American Coach Lines of Jacksonville, Inc. (1360); American Coach Lines of Miami, Inc. (7867); American Coach Lines of Orlando, Inc. (0985); Coach America Group, Inc. (2816); B & A Charter Tours, Inc. (9392); Dillon's Bus Service, Inc. (5559); Florida Cruise Connection, Inc. (9409); Hopkins Airport Limousine Services, Inc. (1333); Lakefront Lines, Inc. (5309); The McMahon Transportation Company (0030); Midnight Sun Tours, Inc. (2791); Royal Tours of America, Inc. (2313); Southern Coach Company (6927); Tippet Travel, Inc. (8787); Trykap Airport Services, Inc. (0732); Trykap Transportation Management, Inc. (2727); KBUS Holdings, LLC (6419); ACL Leasing, LLC (2058); CAPD, LLC (4454); Coach America Transportation Solutions, LLC (6909); CUSA, LLC (3523); CUSA ASL, LLC (2030); CUSA AT, LLC (2071); CUSA AWC, LLC (2084); CUSA BCCAE, LLC (2017); CUSA BESS, LLC (3610); CUSA CC, LLC (1999); CUSA CSS, LLC (1244); CUSA EE, LLC (1982); CUSA ELKO, LLC (4648); CUSA ES, LLC (1941); CUSA FL, LLC (1920); CUSA GCBS, LLC (1891); CUSA GCT, LLC (1833); CUSA KBC, LLC (1808); CUSA K-TCS, LLC (1741); CUSA Leasing, LLC (1321); CUSA PCSTC, LLC (1701); CUSA PRTS, LLC (1591); CUSA RAZ, LLC (0640); CUSA Transit Services, LLC (8847); Get A Bus, LLC (1907); Coach BCCAE, L.P. (3488); Coach Leasing BCCAE, L.P. (6784). The Debtors' corporate offices are located at 8150 North Central Expressway, Suite M1000, Dallas, Texas 75206.

("**Lowenstein Sandler**") as counsel to the Debtors effective as of the Petition Date (as defined herein). In support of the Application, the Debtors respectfully state as follows:

Jurisdiction

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief sought herein are sections 327, 328 and 1107 of the Bankruptcy Code and Bankruptcy Rule 2014.

BACKGROUND

3. On January 3, 2012 (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "**Chapter 11 Cases**").

4. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or official committee of unsecured creditors has been appointed in the Chapter 11 Cases.

5. By order dated January 5, 2012, this Court has authorized the joint administration of the Chapter 11 Cases. *See* Docket No. 44.

6. Detailed information regarding the Debtors' business and the events leading to the Chapter 11 Cases is set forth in the *Declaration in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 3] (the "**First Day Declaration**").

RELIEF REQUESTED

7. By this Application, the Debtors seek authorization to employ and retain Lowenstein Sandler as their counsel in connection with the filing and prosecution of the Chapter 11 Cases, effective as of the Petition Date.

8. The Debtors selected Lowenstein Sandler to serve as their bankruptcy counsel because of Lowenstein Sandler's attorneys' experience in the fields of debtors' and creditors' rights, insolvency, debt restructuring and corporate reorganization and commercial law, as well as Lowenstein Sandler's participation in numerous other proceedings under chapter 11 of the Bankruptcy Code before this Court. Accordingly, the Debtors believe that Lowenstein Sandler is both well qualified and able to represent them in the Chapter 11 Cases.

9. The professional services the Debtors anticipate Lowenstein Sandler will render include, but are not limited to:

(a) providing the Debtors with advice and preparing all necessary documents regarding debt restructuring, bankruptcy and asset dispositions

(b) taking all necessary actions to protect and preserve the Debtors' estates during the pendency of the Chapter 11 Cases, including the prosecution of actions by the Debtors, the defense of actions commenced against the Debtors, negotiations concerning litigation in which the Debtors are involved and objecting to claims filed against the estates;

(c) preparing on behalf of the Debtors, as debtors-in-possession, all necessary motions, applications, answers, orders, reports and papers in connection with the administration of the Chapter 11 Cases;

(d) counseling the Debtors with regard to their rights and obligations as debtors-in-possession;

(e) appearing in Court to protect the interests of the Debtors; and

(f) performing all other legal services for the Debtors which may be necessary and proper in these proceedings.

10. It is necessary for the Debtors to employ experienced counsel to provide the foregoing legal services.

11. The Debtors retained Lowenstein Sandler in October 2011 to provide restructuring advice. Lowenstein Sandler was paid a total of $1,171,535.92 for fees and expenses incurred prior to the Petition Date, which amount includes chapter 11 filing fees totaling $52,300. Lowenstein Sandler is holding a post-petition retainer in the amount of

$197,633.09 to be applied, subject to Court approval, against fees and expenses incurred subsequent to the Petition Date.

12. It is contemplated that Lowenstein Sandler will be compensated for the services described herein at Lowenstein Sandler's ordinary billing rates and in accordance with its customary billing practices with respect to other charges and expenses, all pursuant to the provisions of sections 330 and 331 of the Bankruptcy Code. The current hourly billing rates of members, associates, law clerks, paralegals and legal assistants are set forth in the Declaration of Sharon Levine in support of this Application (the "**Levine Declaration**"), which is being filed contemporaneously herewith. These hourly rates are subject to periodic adjustment to reflect economic and other conditions.

13. The Debtors understand that any compensation and expenses paid to Lowenstein Sandler must be approved by this Court upon application consistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any order entered by this Court.

14. The Debtors submit that the retention of Lowenstein Sandler under the terms described herein is appropriate under sections 327, 328 and 1107 of the Bankruptcy Code. Section 327(a) of the Bankruptcy Code made applicable by section 1107 of the Bankruptcy Code, empowers debtors-in-possession, with the Court's approval, to employ attorneys "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent them or assist the [debtor in possession] in carrying out its duties under this title." 11 U.S.C. § 327(a). Section 101(14) of the Bankruptcy Code defines "disinterested person" as a person that:

> (A) is not a creditor, an equity security holder, or an insider;
>
> (B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

> (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtors, or for any other reason

11 U.S.C. § 101(14).

15. Furthermore, section 1107(b) of the Bankruptcy Code provides that "a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case."

16. Lowenstein Sandler (i) is not a creditor, an equity security holder, or an insider of the Debtors; (ii) is not and was not, within 2 years before the Petition Date, a director, officer, or employee of the Debtors; and (iii) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors. Accordingly, the Debtors believe that Lowenstein Sandler is a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code.

17. To the best of the Debtors' knowledge, based on the Levine Declaration, the members, counsel, and associates of Lowenstein Sandler do not have any connection with the Debtors, their creditors, or any other party-in-interest, or their respective attorneys, or the United States Trustee or any person employed in the office of the United States Trustee, and do not represent any entity having an adverse interest to the Debtor in connection with the Debtor's chapter 11 case, except to the extent as may be set forth in the Levine Declaration. Accordingly, Lowenstein Sandler is "disinterested" and does not hold or represent an interest adverse to the Debtors' estates.

18. Furthermore, section 328(a) of the Bankruptcy Code authorizes the employment of a professional person "on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis . . . ." 11 U.S.C. § 328(a). The Debtors may require Lowenstein Sandler to render extensive legal services, the cost of which cannot be estimated at

this juncture. Accordingly, it is necessary and essential for the Debtors, as debtors-in-possession, to employ attorneys under a general retainer to render the foregoing services.

19. Subject to this Court's approval and in accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, as may be applicable, the rules of this Court, and such other procedures as may be fixed by Order of this Court, the Debtors request that Lowenstein Sandler be compensated on an hourly basis plus reimbursement of actual and necessary expenses incurred by Lowenstein Sandler.

NOTICE

20. No trustee, examiner or creditors' committee has been appointed in the Chapter 11 Cases. Notice of this Motion has been given to (i) Office of the United States Trustee for the District of Delaware, Attn: Tiiara Patton, Esq.; (ii) the creditors listed on the Debtors' consolidated list of 30 largest unsecured creditors; (iii) counsel to JPMorgan Chase Bank, N.A., as administrative agent for the Debtors' prepetition senior secured lenders and proposed post-petition secured lenders; (iv) counsel to The Bank of New York Mellon, as administrative agent for the Debtors' prepetition subordinated lenders; and (v) all parties that have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

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WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form submitted herewith, granting the relief requested herein and such other and further relief as this Court deems just and proper.

Respectfully submitted,

COACH AM GROUP HOLDINGS CORP., ***et al.***

/s/ Brian Cejka
By: Brian Cejka
Title: Chief Restructuring Officer

Dated: January 13, 2012