

ORIGINAL

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
TWA INC. POST CONFIRMATION ESTATE ) Case No. 01-00056 (PJW)  
)  
)  
Debtor. )

**STIPULATION AND AGREED ORDER BETWEEN TWA INC. POST  
CONFIRMATION ESTATE AND DEPARTMENT OF THE TREASURY/INTERNAL  
REVENUE SERVICE RELATING TO THE TWA INC. POST CONFIRMATION ESTATE'S  
SECOND OMNIBUS OBJECTION TO CLAIMS [Re Docket No. 3536]**

The TWA Inc. Post Confirmation Estate (the "Estate") and the Department of the Treasury/Internal Revenue Service (the "IRS") hereby request that the Court enter this stipulation and agreed order relating to the TWA Inc. Post Confirmation Estate's Second Omnibus Objection to Claims (the "Stipulation").<sup>1</sup>

**RECITALS**

WHEREAS, on January 10, 2001 (the "Petition Date"), Trans World Airlines, Inc. and twenty-six of its direct and indirect subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

WHEREAS, the IRS has filed seven claims against the Debtors/Estate (each an "IRS Claim" and collectively, the "IRS Claims"):

- (a) Claim 633200 in the amount of \$94,053,396.22 was filed on June 12, 2001 as a secured claim, unsecured nonpriority claim, and unsecured priority claim;

<sup>1</sup> All capitalized terms not defined herein shall have the same meaning as in the Plan (as defined herein).

- (b) Claim 964100, in the amount of \$94,053,396.22, was filed on June 12, 2001 as a secured claim, unsecured nonpriority claim, and unsecured priority claim;
- (c) Claim 594900, in the amount of \$94,053,396.22, was filed on June 12, 2001 as a secured claim, unsecured nonpriority claim, and unsecured priority claim;
- (d) Claim 758800, in the amount of \$94,053,396.22, was filed on June 12, 2001 as an unsecured nonpriority claim and unsecured priority claim;
- (e) Claim 215100, in the amount of \$80,408,108.00, was filed on May 21, 2001 as an administrative claim;
- (f) Claim 1002400, in the amount of \$45,484,686.76, was filed on June 17, 2002 as Amendment 1 to Request for Payment subject to offset in the amount of \$619,313.31 for taxes, interest and penalties; and
- (g) Claim 1002500, in the amount of \$107,803,445.80, was filed on June 13, 2002 as a secured claim, unsecured nonpriority claim, and unsecured priority claim.

WHEREAS, on June 14, 2002, the Bankruptcy Court confirmed the Third Amended Joint Liquidating Plan of Reorganization of the Debtors and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the United States Bankruptcy Code (as amended, the "Plan").

WHEREAS, on June 25, 2002, the Plan became effective, and under the terms of the Plan and the Post Confirmation Estate Agreement (as defined in the Plan) the Plan Administrator has authority to settle claims, including the IRS Claims.

WHEREAS, on August 2, 2002, the Estate filed the Second Omnibus Objection to Claims (the "Second Omnibus Objection") wherein, among other things, the Estate objected to the IRS Claims 633200, and 964100, as being duplicative of previously filed claims, and IRS Claim 594900 as being superceded by Claim 758800.

WHEREAS, on August 22, 2002, the IRS filed its response to the Second Omnibus Objection, docket number 3588.

NOW, THEREFORE, in mutual consideration of the foregoing, the Estate and the IRS agree as follows:

1. IRS Claims 633200 and 964100 shall be expunged, as they are duplicates of IRS Claim 594900.
2. IRS Claim 594900 shall be expunged, as it is superceded by IRS Claim 758800 .
4. IRS Claim 758800 shall be expunged, as it is amended by IRS Claim 1002500.
5. IRS Claim 215100 shall be expunged, as it is amended by IRS Claim 1002400.

IN WITNESS WHEREOF, the IRS and the Estate hereby execute this Stipulation through their duly authorized representatives whose signatures appear below. This Stipulation may be executed in one or more counterparts, each of which will be deemed an original once all parties have signed one of the counterparts.

SEP-27-02 00:28AM FROM-TWA ESTATE

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T-504 P. 04/05 F-370

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_, 2002.

\_\_\_\_\_  
Peter J. Walsh  
United States Bankruptcy Judge

**TWA INC. POST CONFIRMATION  
ESTATE**

By: Michael J. Lehty

Its: PLAN ADMINISTRATOR

Printed Name: MICHAEL J. LEHTY

**THE DEPARTMENT OF TREASURY FOR  
THE UNITED STATES/THE INTERNAL  
REVENUE SERVICE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

IT IS SO ORDERED.

Dated: Sept 3, 2002.

  
Peter J. Walsh  
United States Bankruptcy Judge

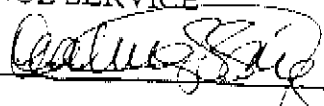
TWA INC. POST CONFIRMATION  
ESTATE

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

THE DEPARTMENT OF TREASURY FOR  
THE UNITED STATES/THE INTERNAL  
REVENUE SERVICE

By:  \_\_\_\_\_

Its: Counsel for United States

Printed Name: Beatriz T. Saiz, Esq.