

**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.)	Hearing Date: January 21, 2003 at 9:30 a.m.
		Responses Due: January 7, 2003 at 4:00 p.m.

**THE TWA INC. POST-CONFIRMATION ESTATE'S
FOURTH SUBSTANTIVE OMNIBUS OBJECTION TO CLAIMS**

The TWA Inc. Post Confirmation Estate (the "Estate"), by and through its undersigned counsel of record, files its Fourth Substantive Omnibus Objection to Claims (the "Fourth Omnibus Objection"), and in support thereof, states the following:

JURISDICTION

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2)(A) and (O).
2. The statutory bases for relief requested herein are 11 U.S.C. §§ 105(a) and 506.

BACKGROUND

3. On January 10, 2001 (the "Petition Date"), Trans World Airlines, Inc., a Delaware corporation ("TWA"), and twenty-six of its wholly-owned subsidiaries (collectively, the "Debtors")¹ filed voluntary petitions for relief under Chapter 11 of the United States

¹ The Debtors were the following entities: Trans World Airlines, Inc., Ambassador Fuel Corporation, LAX Holding Company, Inc., Mega Advertising Inc., Northwest 112th Street Corporation, The TWA Ambassador Club, Inc., Trans World Computer Services, Inc., Transcontinental & Western Air, Inc., TWA Aviation, Inc., TWA Group Inc., TWA Standards & Controls, Inc., TWA Stock Holding Company, TWA-D.C. Gate Company, Inc., TWA-LAX Gate Company, Inc., TWA Logan Gate Co., Inc., TWA-NY/NJ Gate Company, Inc., TWA-Omnibus Gate Company, Inc., TWA-San Francisco Gate Company, Inc., TWA-Hangar 12 Holding Company, Inc., Ozark Group, Inc., TWA Nippon, Inc., TWA Employee Services, Inc., TWA Getaway Vacations, Inc., Trans World

Bankruptcy Code (the “Bankruptcy Code”), thereby becoming debtors in possession pursuant to 11 U.S.C. §§ 1107 and 1108.

4. On or about June 14, 2002, this Court entered an order (the “Confirmation Order”) confirming 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 (the “Plan”), and the Plan became effective on June 25, 2002 (the “Effective Date”).

5. Pursuant to Article II, Section A of the Plan, on the Effective Date, the Debtors’ Chapter 11 cases were substantively consolidated, and all of the Debtors’ assets were transferred to the Estate, a liquidating grantor trust, for the benefit of the Debtors’ creditors. All claims against the Debtors or their bankruptcy estates are to be satisfied from the assets of the single, consolidated Estate.

6. Pursuant to Article IX, Paragraph A of the Plan, the Plan Administrator,² on behalf of the Estate, among other things, is responsible for making and filing objections to Administrative Claims, Secured Claims, Priority Claims, Unsecured Claims, and Equity Interests (collectively, the “Claims”) and ultimately making distributions on account of Allowed Claims.

7. Previously, this Court entered an Order fixing the bar date for submission of proofs of interest or claim for all Claims other than Administrative Expense Claims and Priority Claims, as no later than August 1, 2001 (the “General Bar Date”).

Express, Inc., International Aviation Security Inc., Getaway Management Services, Inc., The Getaway Group (U.K.) Inc.

² Capitalized terms not defined herein are as defined in the Plan.

8. This Court also entered an Order fixing the bar date for submission of proofs of claim on account of an Administrative Expense Claim or a Priority Claim through May 30, 2001, other than an Administrative Expense Claim held by a Foreign Entity, as no later than June 15, 2001 (the “Administrative Expense and Priority Claims Bar Date”).

9. This Court also entered an Order fixing the bar date for submission of proofs of claim, on account of a Foreign Administrative Expense Claim, as no later than August 1, 2001 (the “Foreign Administrative Expense Bar Date”).

THE OBJECTION AND REQUEST FOR RELIEF

10. By this Fourth Omnibus Objection, the Estate seeks reclassification and/or reduction, as appropriate, of the Claims set forth in the Exhibits attached hereto for the reasons described herein and in such Exhibits:

- a. The Claims set forth as “Reclassify” in Exhibit A attached hereto are Claims that improperly assert administrative expense status because, by their own terms or on the basis of Estate’s books and records, they represent general unsecured claims, (the “Reclassified Administrative Claims”);
- b. The Claim set forth as “Reclassify” in Exhibit B attached hereto is a Claim that improperly asserts secured status because, by its own terms or on the basis of Estate’s books and records, it represents an administrative claim (the “Reclassified Secured to Administrative Claim”);

- c. The Claims set forth as “Reclassify” in Exhibit C attached hereto are Claims that improperly assert secured status because, by their own terms or on the basis of Estate’s books and records, they represent general unsecured claims , (the “Reclassified Secured to Unsecured Claims”)
- d. The Claims set forth as “No Liability” in Exhibit D attached hereto represent Claims for which the Estate has no liability according to its books and records (the “No Liability Claims”);
- e. The Claims set forth as “Reduce and Reclassify” in Exhibit E attached hereto are Claims that are filed for amounts that differ from the amounts reflected on the Estate’s books and records. In addition, the claims asserts an improper claim status. (the “Reduce and Reclassify Claims”);
- f. The Claims set forth as “Reduce, Reclassify & Allow” in Exhibit F attached hereto are Claims filed for amounts that differ from the amounts reflected on the Estate’s books and records. In addition, all or a portion of these claims assert improper claim status (the “Reclassify, Reduce and Allow Claims”); and
- g. The Claims set forth as “Reduce & Allow” in Exhibit G attached hereto are Claims filed for amounts that differ from the amounts reflected on the Estate’s books and records (the “Reduce and Allow Claims”).

- h. The Claims set forth as “Reduce” in Exhibit H attached hereto are Claims filed for amounts that differ from the amounts reflected on the Estate’s books and records (the “Reduced Claims”);

The Reclassified Claims

11. The Estate objects to the Reclassified Administrative Claims listed on Exhibit A pursuant to Sections 507(a) and 503(b) of the Bankruptcy Code because these claims:

- a. are not entitled to administrative priority under Section 503(b) of the Bankruptcy Code because they are not: (i) the actual, necessary costs and expenses of preserving the Estate; (ii) qualifying tax claims pursuant to Section 503(b)(1)(B) or (C); (iii) actual, necessary expenses, other than compensation and reimbursement pursuant to Section 503(b)(3); or (iv) reasonable compensation for services rendered pursuant to Section 503(b)(4) or (5), or (v) otherwise allowable under Section 503(b);
- b. do not fit within the definition of an Administrative Expense Claim as set forth in Article I, Section (B)(6) of the Plan; and
- c. are not entitled to secured status under Section 506 of the Bankruptcy Code or priority status under Section 507 of the Bankruptcy Code.

Therefore, the Reclassified Administrative Claims listed on Exhibit A should be reclassified as General Unsecured Claims (as defined in the Plan). Notwithstanding, by so requesting this relief

with respect to the Reclassify Claims, the Estate is not asking for an allowance of the Reclassify Claims at the requested amounts, but only that such claims be reclassified at this time.

12. The Estate objects to the Reclassified Secured Claim listed on Exhibit B pursuant to Section 506(a) of the Bankruptcy Code because the claim:

- a. is not (i) secured by liens on any property in which the Estate has an interest or (ii) subject to setoff under Section 553 of the Bankruptcy Code;
- b. does not fit within the definition of a Secured Claim as set forth in Article I, Section (B)(130) of the Plan; and
- c. is entitled to administrative expense status under Sections 507 or 503 of the Bankruptcy Code; and
- d. is not entitled to priority status under Section 507 of the Bankruptcy Code.

Therefore, the Reclassified Secured Claim listed on Exhibit B should be reclassified as an Administrative Claim. Notwithstanding, by so requesting this relief with respect to the Reclassify Claim, the Estate is not asking for an allowance of the Reclassify Claim at the requested amount, but only that the claim be reclassified at this time.

13. The Estate objects to the Reclassified Secured Claims listed on Exhibit C pursuant to Section 506(a) of the Bankruptcy Code because these claims:

- a. are not (i) secured by liens on any property in which the Estate has an interest or (ii) subject to setoff under Section 553 of the Bankruptcy Code;

- b. do not fit within the definition of a Secured Claim as set forth in Article I, Section (B)(130) of the Plan; and
- c. are not entitled to administrative expense status under Sections 507 or 503 of the Bankruptcy Code or priority status under Section 507 of the Bankruptcy Code.

Therefore, the Reclassified Secured Claims listed on Exhibit C should be reclassified as General Unsecured Claims. Notwithstanding, by so requesting this relief with respect to the Reclassify Claims, the Estate is not asking for an allowance of the Reclassify Claims at the requested amounts, but only that such claims be reclassified at this time.

The No Liability Claims

14. The Estate objects to the No Liability Claims listed on Exhibit D attached hereto pursuant to Section 502(b)(1) of the Bankruptcy Code because the No Liability Claims are not enforceable against the Estate or its property under applicable law or contract because such claims are for liabilities that were either assumed by American Airlines, Inc. (“American”) as part of the Asset Purchase Agreement (the “APA”) between the Debtors and American, dated January 9, 2001 or that rightfully became liabilities of American by virtue of American’s business operations after the closing of the APA on April 9, 2001. Therefore, the No Liability Claims set out in Exhibit D should be disallowed and expunged for all purposes.

The Reduce and Reclassify Claims

15. The Estate objects to the Reduce and Reclassify Claims listed on Exhibit E pursuant to Sections 502(b)(1) and 507 of the Bankruptcy Code because, after thoroughly reviewing its books and records, proofs of claim, as well as the supporting documentation

provided by the claimants, the Estate has determined that (a) all or a portion of the asserted classification of the claims are not appropriate, and (b) the amount of the claims are overstated. Accordingly, the Estate objects to the Reduce and Reclassify Claims and requests that the Reduce and Reclassify Claims be (a) reclassified as provided on Exhibit E, and (b) upon such reclassification, reduced to the amounts set forth in Exhibit E. Notwithstanding, by so requesting this relief with respect to the Reduce and Reclassify Claims, the Estate is not asking for an allowance of the Reduce and Reclassify Claims at the requested amounts, but only that the claims be reduced and reclassified at this time.

The Reduce, Reclassify and Allow Claims

16. The Estate objects to the Reclassify, Reduce and Allow Claims listed on Exhibit F pursuant to Sections 502(b)(1), 506 and 507 of the Bankruptcy Code because: (a) the asserted classification for all or a portion of each claim is not appropriate; and (b) these claims are filed for amounts that differ from the amounts reflected on the Estate's books and records. In evaluating the Reclassify, Reduce and Allow Claims, the Estate has thoroughly reviewed its books and records, proofs of claim, as well as the supporting documentation provided by each claimant, and has determined that (a) the asserted classification of each claim is not appropriate, and (b) the amount of each claim is overstated. Accordingly, the Estate objects to the Reclassify, Reduce and Allow Claims and requests that the Reclassify, Reduce and Allow Claims be (a) reclassified as provided on Exhibit F, and (b) upon such reclassification, reduced to and allowed in the amounts set forth in Exhibit F.

The Reduce and Allow Claims

17. The Estate objects to the Reduce and Allow Claims listed on Exhibit G pursuant to Sections 502(b)(1) and 507 of the Bankruptcy Code because these claims are filed

for amounts that differ from the amounts reflected on the Estate's books and records. In evaluating the Reduce and Allow Claims, the Estate has thoroughly reviewed its books and records, proofs of claim, as well as the supporting documentation provided by each claimant, and has determined that the amount of each claim is overstated. Accordingly, the Estate objects to the Reduce and Allow Claims and requests that the Reduce and Allow Claims be reduced to and allowed in the amounts set forth in Exhibit G.

The Reduce Claims

18. The Estate objects to the Reduce Claims listed on Exhibit H attached hereto pursuant to Section 502(b)(1) of the Bankruptcy Code because they are filed for amounts that are greater than the amounts reflected on the Estate's books and records. Therefore, the Reduce Claims set forth on Exhibit H should be reduced so as to comport with the liabilities currently reflected on the Estate's books and records. Notwithstanding, by so requesting this relief with respect to the Reduce Claims, the Estate is not asking for an allowance of the Reduce Claims at the requested amounts, but only that such claims be reduced at this time.

SEPARATE CONTESTED MATTERS

19. To the extent that a response is filed regarding any Claim listed in the Fourth Omnibus Objection and the Estate is unable to resolve the response, each such Claim and the Objection by the Estate to each such Claim asserted in the Fourth Omnibus Objection shall constitute a separate contested matter as contemplated by Rule 9014 of the Federal Rules of Bankruptcy Procedure. Any order entered by the Court regarding an objection asserted in the Fourth Omnibus Objection shall be deemed a separate order with respect to each Claim.

REPLIES TO RESPONSES

20. The Estate seeks leave to, at its option, file and serve a reply to a claimant's response so that it is received by the claimant (or the claimant's counsel, if represented) no later than forty-eight hours before any hearing on the Objection.

RESERVATION

21. The Estate hereby reserves the right to object in the future to any of the claims listed in this Fourth Omnibus Objection or on the Exhibits attached hereto on any ground, and to amend, modify and/or supplement this Fourth Omnibus Objection, including, without limitation, to object to amended claims and newly-filed claims. Separate notice and hearing will be scheduled for any such objection.

NOTICE

22. Notwithstanding anything contained in this Fourth Omnibus Objection or the attached exhibits, nothing herein shall be construed as a waiver of any rights that the Estate may have (a) to bring avoidance actions under the applicable sections of the Bankruptcy Code, including, but not limited to, 11 U.S.C. § 547, against the holders of claims subject to the Fourth Omnibus Objection; or (b) to exercise its rights of setoff against the holders of such claims relating to such avoidance actions.

23. The Estate will serve copies of this Fourth Omnibus Objection (with all exhibits) on the Office of the United States Trustee. The Estate will serve copies of this Fourth Omnibus Objection (without exhibits) on all parties that have requested that they be served with all pleadings filed in these cases pursuant to Federal Rule of Bankruptcy Procedure 2002 (the "2002 List"). Any party that is on the 2002 List may obtain a copy of the Fourth Omnibus Objection with all Exhibits by requesting the same from the Estate's information agent,

Bankruptcy Management Corporation (“BMC”), at (888) 909-0100 or by logging onto the BMC website at <http://www.bmccorp.net/twa/>.

24. BMC has served a copy of the Fourth Omnibus Objection and customized notices that summarize claim-specific detail exactly as reflected in the Exhibit on which such creditor is listed upon those creditors that have filed claims that are affected by the Fourth Omnibus Objection in lieu of serving all Exhibits on each such affected creditor. A sample custom notice is attached hereto as Exhibit H.

25. The Estate submits that notice of this Fourth Omnibus Objection is sufficient under Federal Rule of Bankruptcy Procedure 3007 and that no further notice is necessary.

NO PREVIOUS REQUEST

26. No previous request for the specific relief set forth herein has been made to this or any other court.

COMPLIANCE WITH RULE 3007-1

27. To the best of my knowledge, the Fourth Omnibus Objection, and related exhibits attached hereto, complies with Rule 3007-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware.

WHEREFORE, the Estate respectfully requests that the Court enter an order disallowing, expunging, reducing and/or reclassifying each of the Claims more fully described in this Fourth Omnibus Objection and/or listed on the Exhibits attached hereto.

Wilmington, Delaware

Dated: December 4, 2002

Respectfully submitted,

KIRKLAND & ELLIS
Ryan L. Jensen
Alexis Gabay
200 East Randolph Drive
Chicago, IL 60601
(312) 861-2000
(312) 861-2200 (fax)

and

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.



Laura Davis Jones (Bar No. 2436)
Bruce Grohsgal (Bar No. 3583)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
(302) 652-4100
(302) 652-4400(fax)

Co-Counsel for the Estate

*** All responses are to be served upon:

Alexis Gabay
Kirkland & Ellis
200 East Randolph Drive
Chicago, Illinois 60601
and
Bruce Grohsgal
Pachulski, Stang, Ziehl, Young & Jones, P.C.
919 North Market Street
16th Floor, P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)