

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

.....X
In re:)
) Case No. 01-00056 (PJW)
TWA INC. POST CONFIRMATION ESTATE)
)
)
)
.....X
)
TWA INC. POST CONFIRMATION ESTATE)
)
Plaintiff,)
) Adv. Pro No. 02- 75281
v.)
)
)
COUNTY OF MULTNOMAH,)
)
Defendant.)

**COMPLAINT TO AVOID THE FIXING OF STATUTORY
LIEN PURSUANT TO 11 U.S.C. § 545 OR IN THE ALTERNATIVE
TO DETERMINE THE EXTENT OF SUCH LIEN PURSUANT TO 11 U.S.C. § 506**

The TWA Inc. Post Confirmation Estate (the “Estate”), by and through its undersigned counsel, and for its Complaint to: (a) avoid the fixing of a statutory lien pursuant to 11 U.S.C. § 545; or in the alternative (b) determine the extent of such lien pursuant to 11 U.S.C. § 506, against defendant County of Multnomah (“Defendant”), states as follows:

JURISDICTION

1. This Court has jurisdiction over this adversary proceeding under 28 U.S.C. §§ 1334 and 157, 11 U.S.C. §§ 1142 and 545.
2. This is a core proceeding within the meaning of 28 U.S.C. §§ 157 (b)(2)(A), (B) and (K).
3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

4. The Estate is the party in interest for the purposes of this claim pursuant to 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”) which was confirmed by this Court on June 14, 2002. The Plan transferred all rights and assets of Trans World Airlines, Inc. and twenty-six of its subsidiaries (the “Debtors”) to the Estate.

BACKGROUND

5. On January 10, 2001 (the “Petition Date”), Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The Plan was confirmed on June 14, 2002 and pursuant to the Plan, all rights and assets of Debtors were transferred to the Estate on June 25, 2002.

6. On May 14, 2001, Defendant filed a secured claim against the Debtors in the amount of \$243,412.30, which amended a previously filed claim and which was later designated as Claim No. 108200 (the “Multnomah County Claim”).

7. The Multnomah County Claim is based on ad valorem property taxes for the year 2001.

COUNT 1 **(Avoidance of the Fixing of Statutory Lien — 11 U.S.C. § 545)**

8. Defendant asserts that the Multnomah County Claim is secured by a statutory lien pursuant to O.R.S. § 311.405 (2), (3)(a) and (b).

9. Upon information and belief, Defendant’s statutory lien was not perfected or enforceable on the Petition Date against a bona fide purchaser of any of the Debtor’s assets.

10. The Estate is entitled to avoid the fixing of Defendant's statutory lien pursuant to Section 545 of the Bankruptcy Code.

COUNT 2

(Determination of the Extent of Defendant's Lien — 11 U.S.C. § 506)

11. The Estate repeats and realleges paragraphs 1 through 10 above as though fully set forth herein.

12. Even if Defendant's statutory lien was validly perfected on the Petition Date, pursuant to 11 U.S.C. § 506, Defendant would have a secured claim only to the extent of the value of the Defendant's interest in the Debtor's interest in any collateral securing the Multnomah County Claim.

13. Defendant has identified no collateral which allegedly secures the Multnomah County Claim.

14. Defendant has not stated any value for the alleged collateral which allegedly secures the Multnomah County Claim.

WHEREFORE, the Estate requests that the Court enter judgment granting the Estate the following relief against the Defendant:

- (a) avoiding the fixing of Defendant's statutory lien under 11 U.S.C. § 545;
- (b) in the alternative, determining that the value/extent of Defendant's lien is zero;
- (c) awarding the Estate costs of suit; and

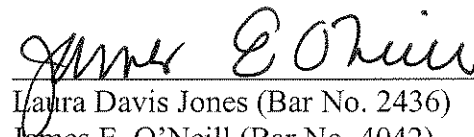
- (d) granting the Estate such other and further relief, at law or equity, to which the Estate shows itself justly entitled.

Date: December 13, 2002

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