

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Petters Aviation, LLC,

Bky. Case No. 08-45136 (RKJK)

Debtor.

Elite Landings, LLC.

Debtor.

Bky. Case No. 08-45210 (RJK)

**DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF LIQUIDATION
PROPOSED BY ASSET BASED RESOURCE GROUP, LLC
DATED OCTOBER 8, 2010**

Table of Contents

	Page
I. INTRODUCTION	3
A. Comparison to Debtors’ Plan	3
B. Background on Debtors	4
C. Purpose of This Document	5
D. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing	6
E. Disclaimers	7
II. BACKGROUND	7
A. Description and History of the Debtors	7
B. Events Leading to Chapter 11 Filing	9
C. Significant Events During the Bankruptcy Case	10
D. Creditors’ Trustee	13
E. Avoidable Transfers	13
F. Intercompany Claims	13
G. Claim Objections	13
H. Current and Historical Financial Conditions	14
III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS	15
A. What is the Purpose of the Plan of Liquidation?	15
B. Unclassified Claims	15
C. Classes of Claims and Equity Interests	16
D. Means of Implementing the Plan	19
E. Executory Contracts and Unexpired Leases	20
F. Tax Consequences of the Plan	20
IV. CONFIRMATION REQUIREMENTS AND PROCEDURES	21
A. Who May Vote or Object	21
B. Votes Necessary to Confirm the Plan	23
C. Alternatives to the Plan	24
D. Feasibility	24
V. EFFECT OF CONFIRMATION OF PLAN	25
A. Discharge of Debtors	25
B. Modification of Plan	25
C. Binding Effect of the Plan	25

EXHIBITS

- Exhibit A - Copy of Proposed Plan of Liquidation
- Exhibit B - Biography of James A. Bartholomew, CTP
- Exhibit C - Most Recently Filed Post-Petition Operating Report of Petters Aviation, LLC
- Exhibit D - Most Recently Filed Post-Petition Operating Report of Elite Landings, LLC

I. INTRODUCTION

Creditor Asset Based Resource Group, LLC ("**ABRG**") submits this Disclosure Statement with respect to its Joint Plan of Liquidation dated October 8, 2010 (the "**Plan**") for Petters Aviation, LLC ("**Petters Aviation**") and Elite Landings, LLC ("**Elite Landings**") and collectively, the "**Debtors**").

A complete copy of the Plan is attached to this Disclosure Statement as **Exhibit A**.

The Plan is the controlling document. It supersedes any perceived conflict with any statements in this Disclosure Statement. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

A. Comparison to Debtors' Plan

ABRG, the largest, non-insider, unsecured creditor of the Debtors, is the proponent of the Plan. Before ABRG filed its Plan, the Debtors filed their Joint Plan of Liquidation dated April 6, 2010 (the "**Debtors' Plan**"). As of the date of this Disclosure Statement, the Debtors' Plan has not yet been confirmed by the Bankruptcy Court. ABRG believes that the Debtors' Plan is not confirmable under the existing circumstances. The Bankruptcy Court will hold a continued hearing on confirmation of the Debtors' Plan on November 18, 2010.

In preparing this Disclosure Statement, ABRG has relied upon information provided by the Debtors in the context of these Chapter 11 cases, including without limitation, information provided in the Debtors' Plan and the related amended disclosure statement dated May 20, 2010 (the "**Debtors' Disclosure Statement**"). The Debtors' Disclosure Statement was approved by the Bankruptcy Court on May 26, 2010. ABRG reserves all rights with respect to the information provided herein, including, the right to amend or modify the Plan or this Disclosure Statement should such information prove to be inaccurate or incomplete.

ABRG agrees with and has adopted the core structure of the Debtors' Plan. ABRG's Plan provides for the continued liquidation of the Debtors' businesses and the prompt distribution of proceeds to creditors with allowed claims. ABRG, however, believes that certain provisions of the Debtors' Plan are not in the best interests of the Debtors' creditors or their estates and are reflective of the indirect yet pervasive influence of Douglas A. Kelley ("**Kelley**"), the receiver of certain of the Debtors' affiliates, over these Chapter 11 cases. In particular, the Debtors' Plan proposes, among other things, (i) to classify claims and interests in 13 separate classes; (ii) to treat all unsecured creditors of Petters Aviation as part of one class without a convenience election and without disallowing insider claims; (iii) to appoint the Debtors' existing President and Chief Executive Officer as the person responsible for the Debtors' continued wind-down without any oversight by creditors for whose benefit the

liquidation is being conducted; and (iv) for existing equity holders to retain their ownership interest in the Debtors despite the failure to satisfy senior classes in full.

To remedy the problems with the Debtors' Plan, ABRG has proposed its own Plan which provides, among other things, for (i) a simplified classification structure with only 6 separate classes of claims and interests; (ii) the creation of a convenience class available for creditors whose claims are \$150,000.00 or less (or who elect to reduce their claim to such amount); (iii) the creation of a creditors' trust and the appointment of an independent creditors' trustee to manage the Debtors' remaining affairs; and (iv) the cancellation of the existing equity interests in Petters Aviation. In light of these improvements from the Debtors' Plan, ABRG believes, and will demonstrate at the confirmation hearing, that its Plan is both confirmable and in the best interests of the Debtors' creditors and their estates.

B. Background on Debtors

Elite Landings is a wholly owned subsidiary of Petters Aviation. Petters Aviation is a wholly owned subsidiary of Thomas Petters, Inc., which is, in turn, is owned 100% by Thomas J. Petters, individually.

On October 6, 2008, in the case of *United States of America v. Thomas Joseph Petters, et al.*, an Order for Entry of Preliminary Injunction, Order Appointing Receiver, and Other Equitable Relief was entered in the United States District Court for the District of Minnesota, Civil Case No. 08-SC-5348 (ADM/JSM). Among other provisions, the order appointed Kelley as receiver of certain entities described in the order. The entities included Petters Company, Inc., Petters Group Worldwide, LLC and any affiliates, subsidiaries, divisions, successors or assigns owned 100% or controlled by the foregoing, but excluded Thomas Petters, Inc. and its subsidiaries. Accordingly, MN Airline Airlines, LLC d/b/a Sun Country Airlines ("**Sun Country**" or "**Sun Country Airlines**"), Petters Aviation, and Elite Landings were among the entities excluded from the receivership order. The order was subsequently amended and restated. Kelley is now designated as the receiver for all entities defined as "defendants." This defined term includes Thomas Petters, Inc. and its subsidiaries. See Second Amended Order for Entry of Injunction, Appointment of Receiver and Other Equitable Relief entered December 8, 2008 in USA v. Petters, Docket No. 127.

On October 6, 2008, Petters Aviation filed its voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Minnesota. On October 9, 2008, Elite Landings filed its voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Minnesota.

In addition, on October 6, 2008, Sun Country (Bky. Case No. 08-35197) and its immediate parent, MN Airline Holdings, Inc. (Bky. Case No. 08-35198) filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the District of Minnesota. A further detailed description of the consequences of the appointment of the receiver and the filing of the Chapter 11 petitions is discussed below.

The proposed distributions under the Plan are discussed in this Disclosure Statement. Priority and administrative claim holders will be paid in full upon confirmation of the Plan. General unsecured creditors of Petters Aviation are classified in Class 3 and will receive pro rata distributions from a newly established creditors' trust as and when funds are available from the liquidation of various assets of the Debtors' estates. These assets include cash on hand as of the date of confirmation, and other cash or cash equivalents generated by any distributions to the Debtors on account of equity interests in and claims against other entities, including Sun Country Airlines as described in more detail below.

Any distributions to the holders of allowed claims in Class 3 will depend upon amounts collected and the costs incurred in collecting those amounts, as well as the relative priorities of the holders of allowed unsecured claims vis-à-vis holders of secured claims, priority claims and administrative expense claims. Details of the possible sources of payment to creditors and other payments in the Plan are discussed below. Based upon (i) existing cash on hand, (ii) estimates of likely recoveries generated by the sale or disposition of stock in the reorganized Sun Country Airlines, and (iii) known claims against Petters Aviation, ABRG estimates that the holders of allowed general unsecured claims will receive cash distributions in a range of between 15% and 30% depending, in large part, on the total amount of allowed claims in that class.

As a result of the recent disallowance or withdrawal of certain claims (including those held by various Petters-related entities), there are no general unsecured creditors of Elite Landings, with the exception of the claim held by its parent company, Petters Aviation. Consequently, the assets currently held by Elite Landings (i.e. cash totaling approximately \$8 million) will be distributed to Petters Aviation and the creditors' trust on the effective date of this Plan.

ABRG urges that creditors vote in favor of the Plan. For the reasons set forth in this Disclosure Statement, ABRG believes that the Plan is substantially better for creditors than the Debtors' Plan or the other alternatives of dismissal of the cases or liquidation under Chapter 7 of the Bankruptcy Code.

C. Purpose of This Document

This Disclosure Statement describes:

- the Debtors and significant events during the bankruptcy case,
- how the Plan proposes to treat claims of the type you hold (i.e., what you will receive on account of your claim if the Plan is confirmed),
- who can vote on or object to the Plan,
- what factors the Bankruptcy Court will consider when deciding whether to confirm the Plan,

- why ABRG believes that the Plan is feasible, and
- the effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, determine your rights.

D. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Confirm the Plan

The hearing at which the Court will determine whether to confirm the Plan will take place on [REDACTED] 2010, at [REDACTED], before the Honorable Robert J. Kressel, in Courtroom 8W, United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415.

2. Deadline For Voting to Accept or Reject the Plan

If you are entitled to vote to accept or reject the Plan, record your vote on the enclosed ballot and return the ballot in the enclosed envelope to Clerk of Bankruptcy Court, 301 U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415. See below for a discussion of voting eligibility requirements.

Your ballot must be received by [REDACTED] 2010 or it will not be counted.

3. Deadline For Objecting to the Confirmation of the Plan

Objections to confirmation of the Plan must be mailed by [REDACTED] 2010 and filed by [REDACTED] 2010, if service is accomplished by mail, or delivered by [REDACTED] 2010 and filed by [REDACTED] 2010, if service is accomplished by delivery. Objections must be mailed or delivered to:

Michael A. Rosow, Esq.
Chris Camardello, Esq.
Winthrop & Weinstine
Suite 3500
225 South Sixth Street
Minneapolis, MN 55402
Phone (612) 604-6734
Fax (612) 604-6834
mrosow@winthrop.com

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact:

Michael A. Rosow, Esq.
Chris Camardello, Esq.
Winthrop & Weinstine
Suite 3500
225 South Sixth Street
Minneapolis, MN 55402
Phone (612) 604-6734
Fax (612) 604-6834
mrosow@winthrop.com

E. Disclaimers

1. ON [REDACTED] 2010, THE COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION TO ENABLE PARTIES AFFECTED BY THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT ITS TERMS. THE COURT HAS NOT YET DETERMINED WHETHER THE PLAN MEETS THE LEGAL REQUIREMENTS FOR CONFIRMATION, AND THE FACT THAT THE COURT HAS APPROVED THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT OF THE PLAN BY THE COURT, OR A RECOMMENDATION THAT IT BE ACCEPTED.

2. ANY REPRESENTATIONS OR INDUCEMENTS MADE FOR THE PURPOSE OF SOLICITING YOUR ACCEPTANCE, OTHER THAN THOSE IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON, AND ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO ABRG'S COUNSEL OR TO THE UNITED STATES TRUSTEE, WHO WILL, IF NECESSARY, CONVEY THIS INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS IS APPROPRIATE.

3. THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN INDEPENDENTLY AUDITED. ALL REPRESENTATIONS AND FORECASTS ARE MADE IN GOOD FAITH AND ARE INTENDED TO BE AS COMPLETE AND AS ACCURATE AS POSSIBLE. ABRG OR ITS COUNSEL HAS NOT INDEPENDENTLY VERIFIED ANY OF THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, WHICH WAS DERIVED FROM THE INFORMATION CONTAINED IN THE DEBTORS' DISCLOSURE STATEMENT OR FROM THE DEBTORS' CHAPTER 11 CASES.

II. BACKGROUND

A. Description and History of the Debtors

Petters Aviation was formed on February 17, 2005 as a Delaware limited liability company. Its initial purpose was to manage and operate a 727 jet aircraft. It acquired an indirect ownership interest in Sun County Airlines on or about October 31, 2006, when Petters Aviation became part owner of Sun Country's immediate parent, MN Airline Holdings, Inc. At the time, the other owners were two entities formed by Whitebox Advisors known as Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC (collectively, the "**Whitebox Entities**"). Shortly thereafter, certain minority investors also became shareholders of MN Airline Holdings, Inc. Until recently, MN Airline Holdings, Inc. owned 100% of Sun Country Airlines. On or about November 16, 2007, the Whitebox Entities sold their interests in MN Airline Holdings to Petters Aviation. As a result, Petters Aviation now owns 100% of the voting stock and 80.4% of the equity of MN Airline Holdings, Inc.

Petters Aircraft Leasing, LLC ("**PAL**") was formed as a wholly-owned subsidiary of Petters Aviation on July 11, 2007. Its purpose was to enter into finance lease agreements with CIT Leasing to enable Sun Country to acquire and use two Boeing 737-800 aircraft. PAL subleased the aircraft to Sun Country Airlines on a ten-year sublease.

Elite Landings, a Delaware limited liability company, was formed on December 6, 2006 as a wholly-owned subsidiary of Petters Aviation for the purpose of engaging in the resale of Airbus aircraft and the operation of an executive jet charter service.

Southwest Aviation, Inc. was acquired by Petters Aviation on July 31, 2008. It was a FAA certified air carrier operating under FAA Part 135 authority and provided business and leisure air charter services to all parts of the continental United States, Alaska, Mexico and the Caribbean from its headquarters in Marshall, Minnesota. It also provided aircraft management and maintenance services and consulted on aircraft acquisition, ownership and operations for private parties. At the time of the acquisition, the intention was to integrate an established air charter and fix-based operation into Petters Aviation's business of high-end, executive charter and sale of Airbus aircraft.

Prior to its bankruptcy filing, Petters Aviation held title to the following assets:

- a Boeing 727-100 VIP aircraft, bearing FAA registration number N706JP;
- approximately 80.4% of the equity and 100% of the voting stock of MN Airline Holdings, which, in turn, owned 100% of Sun Country Airlines;
- 100% of the stock of Southwest Aviation, Inc.;
- 100% of the membership interests of PAL;
- 100% of the membership interests of Elite Landings;
- a Challenger 601 aircraft, bearing FAA registration number N227PE; and

- certain miscellaneous equipment incidental to its operations.

Petters Aviation subleased hangar facilities at the Minneapolis-St. Paul International Airport and provided corporate aircraft hangaring, an executive jet center, and limited fixed-base operator services from this facility. It also managed and oversaw the daily operations of Elite Landings, PAL, and Southwest Aviation.

Prior to its bankruptcy filing, Elite Landings was in the business of purchasing Airbus Corporate Jet aircraft from Airbus S.A.S. and reselling them. It operated in connection and cooperation with Airbus S.A.S. for the marketing and resale of such aircraft in North America. Following public disclosure of the United States government's actions against Thomas J. Petters, but prior to Elite Landings' bankruptcy filing, Airbus S.A.S. and Elite Landings agreed to cancel several purchase agreements pending between the parties. As a result, Elite Landings received a refund of its down payments on six Airbus aircraft in the amount of \$9,500,000.00. Primarily because of the adverse consequences of the charges against Thomas J. Petters and his affiliates, Elite Landings is no longer in the business of selling Airbus aircraft, and the executive jet center is no longer in operation.

The President and Chief Executive Officer of both Petters Aviation and Elite Landings is T. Jay Salmen. Other than his involvement with Petters Aviation and its subsidiaries, he has no other position as officer, director, or member of any of the other Petters-related entities. As of January 1, 2010, his compensation changed from a salary to an hourly basis. The Debtors' only other current employee is Vincent Fusco, their Chief Financial Officer. Mr. Fusco is also compensated on an hourly basis.

ABRG is the successor servicer to Acorn Capital Group, LLC ("**Acorn**"), which filed unsecured claims against Petters Aviation arising from (i) Acorn's unsecured loan to Petters Aviation and (ii) Petters Aviation's guaranty of a separate loan to PAL. ABRG's claims against Petters Aviation total over \$31 million and make ABRG the largest, non-insider unsecured creditor of Petters Aviation (and indirectly, Elite Landings).

B. Events Leading to Chapter 11 Filing

Petters Aviation and Elite Landings (as well as Sun Country Airlines and MN Airline Holdings, Inc.) filed Chapter 11 petitions in response to civil and criminal actions taken against Thomas J. Petters, including the appointment of a receiver on October 6, 2008. These actions suddenly terminated a practice of intercompany transfers that Petters Aviation and Sun Country Airlines depended on from time to time. The purpose of the Chapter 11 filings was to give Petters Aviation and its subsidiaries an opportunity to attempt in an orderly fashion either to wind down or continue their operations, with primary focus on Sun Country Airlines and its viability.

C. Significant Events During the Bankruptcy Case

1. On October 10, 2008, the United States Trustee appointed an official committee of unsecured creditors. That committee now consists of:

Eastern Aviation Fuels
Contact Person: Robert Stallings
601 McCarthy Boulevard
New Bern, NC 28562
Phone: (252) 633-0066

Hawthorne Corporation
Contact Person: Steven Levesque
3955 Fabor Place Drive, Suite 301
North Charleston, SC 29405
Phone: (843) 553-2203

And its counsel is:

Robert T. Kugler, Esq.
Leonard, Street & Deinard, P.A.
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Phone: (612) 335-1645

2. On November 26, 2008, the Bankruptcy Court entered an order granting the application of the creditors committee to retain Harrow & Associates as its financial consultants.

3. On October 23, 2008, the court granted Chase Equipment Leasing LLC relief from the automatic stay to permit it to repossess and foreclose the Challenger 601 aircraft owned by Petters Aviation.

4. On October 27, 2008, the Court approved the application of Moss & Barnett, A Professional Association to serve as counsel to the Debtors in these cases.

5. By order dated October 31, 2008 entered in both cases, the Bankruptcy Court authorized intercompany transfers of funds from Elite Landings to Petters Aviation to fund joint administrative expenses in accordance with the budget submitted by the Debtors. Orders have been entered periodically since then renewing this authorization. The authorization currently in effect expires on the earlier of the effective date of a joint plan of reorganization or November 30, 2010.

6. On October 31, 2008, Petters Aviation filed a motion to approve the sale of Petters Aviation's stock in Southwest Aviation, Inc. (Docket No. 51). The court granted that motion by order dated November 14, 2008. The sale closed on November 17, 2008. Petters Aviation received \$200,000 in cash and release of claims of

approximately \$3,191,000 in consideration for the sale. The cash proceeds are held in a separate segregated account pending further order of the court.

7. On November 26, 2008, Elite Landings filed a motion seeking court authority to loan funds to Sun Country Airlines. The court granted that motion by order dated December 17, 2008. Elite Landings loaned Sun Country \$1 million. The loan has since been repaid with interest.

8. Petters Aviation sold several items of personal property (office furniture, computer monitors, aircraft-related equipment, etc.) pursuant to a court order entered on February 11, 2009. Docket No. 117. The sale proceeds of \$50,000 are being held in a separate segregated operating account pending further order of the court.

9. Effective on or about June 1, 2009, Sun Country Airlines rejected its operating subleases with PAL. Effective on July 15, 2009, PAL and C.I.T. Leasing Corporation entered into a strict foreclosure agreement, which, among other things, provided for (1) return of the two Boeing 737-800 aircraft to C.I.T., (2) satisfaction of all claims of C.I.T. against PAL, (3) payment to PAL of \$3 million, and (4) an assignment of certain claims of C.I.T. against Sun Country Airlines. PAL is managed and operated by Petters Aviation and has no employees or offices of its own. The cash proceeds of the settlement with CIT are being held by Kelley, as receiver, pending further order of the court in the PAL receivership proceedings.

10. On September 2, 2009, the court approved Petters Aviation's motion to sell its Boeing 727-100 VIP aircraft free and clear of all liens, claims, encumbrances, and interests pursuant to an auction. No bids were made at the auction, and Petters Aviation recently obtained court approval to return this aircraft to the lienholder as discussed further below.

11. On October 12, 2009, Petters Aviation filed a motion to approve a stipulation entered into between and among Petters Aviation, MinnWest Bank Metro Champlin and Priester Aviation, Inc. The stipulation provides, in part, that Priester Aviation will make certain records pertaining to the Boeing 727-100 VIP aircraft available for inspection by any prospective purchasers of the aircraft. The court granted Petters Aviation's motion to approve the stipulation by order dated November 12, 2009. Both Priester Aviation and MinnWest Bank Metro Champlin claim liens against the Boeing 727-100 VIP aircraft.

12. The validity, priority, and extent of the liens claimed by Priester Aviation and MinnWest Bank Metro Champlin against the aircraft and the aircraft records were the subject of an adversary proceeding entitled *MinnWest Bank Metro, a Minnesota State Banking Corporation, Plaintiff v. Petters Aviation, LLC and Priester Aviation, LLC*, Adv. No. 09-04201. Petters Aviation and MinnWest Bank Metro reached an agreement the main points of which are that (i) Petters Aviation will convey the Boeing 727 aircraft, its engines and other accoutrements to MinnWest Bank Metro, subject to the lien claim of Priester Aviation, (ii) MinnWest Bank Metro will withdraw its entire claim against Petters Aviation and pay an additional \$30,000 to Petters Aviation; and (iii) Priester

Aviation will have an allowed unsecured deficiency claim in the amount of \$100,000. Upon approval of this settlement, the related adversary proceeding was dismissed. The court approved the stipulation by order dated June 2, 2010.

13. On April 12, 2010, the Whitebox Entities filed an adversary proceeding seeking a judgment, among other things, declaring and directing that Petters Aviation's claim against Sun Country is subordinated to the Whitebox Entities' claims. Petters Aviation answered the complaint and contested the adversary proceeding on various grounds including, without limitation, the fact that the purported subordination is an avoidable preferential transfer with respect to the estate of Sun Country, a fraudulent transfer as to Petters Aviation, and is unenforceable because it was not agreed to by Petters Aviation. In light of confirmation of Sun Country's plan which allowed Petters Aviation's claim against Sun Country in full, ABRG believes that this adversary proceeding is now moot and that it should be dismissed.

14. On April 6, 2010, the Debtors filed the Debtors' Plan.

15. In orders dated May 5, 2010, the claims of Richard Hettler against the Debtors were disallowed. Accordingly, his filed proofs of claim are not dealt with in this Disclosure Statement or the Plan.

16. On May 7, 2010, the Whitebox Entities filed a motion to convert the Petters Aviation Chapter 11 case to a Chapter 7 case. A continued hearing on this motion is scheduled for October 13, 2010.

17. On May 26, 2010, the Bankruptcy Court approved the Debtors' Disclosure Statement in support of the Debtors' Plan and scheduled a confirmation hearing which took place on September 10, 2010. By the voting deadline, the Debtors did not receive sufficient votes in favor of the Debtors' Plan to satisfy the confirmation requirements of the Bankruptcy Code. The confirmation hearing was continued to October 7, 2010 and then again to November 18, 2010 to provide the Debtors an opportunity to modify the Debtors' Plan, if possible, to meet such requirements.

18. On July 6 and August 27, 2010, the claims of various Petters-related entities against Elite Landings were withdrawn, with the exception of the claim held by its parent company, Petters Aviation. As a result, there are no pre-petition claims against Elite Landings except for the claim of Petters Aviation.

19. On September 21, 2010, ABRG filed a motion to convert the Petters Aviation and Elite Landings from Chapter 11 cases to Chapter 7 Cases. A hearing on this motion is also scheduled for October 13, 2010.

20. On October 6, 2010, Petters Aviation filed approximately ten (10) adversary proceedings seeking avoidance of certain alleged preferential and/or fraudulent transfers against various creditors including (i) Southwest Aviation, Inc., (ii) Kelley as receiver for Thomas J. Petters individually, Thomas Petters, Inc., Petters Group Worldwide, LLC, and Petters Company Inc.; (iii) Randall L. Seaver as trustee for Petters Capital, LLC; and (iv) ABRG.

21. On the date hereof, ABRG filed this Disclosure Statement and Plan.

D. Creditors' Trustee

As discussed further below, a creditors' trust (the "**Creditors' Trust**") will be formed on the effective date of the Plan. James A. Bartholomew, CTP of Lighthouse Management Group, LLC will serve as creditors' trustee (the "**Creditors' Trustee**"). He will be responsible for managing the Creditors' Trust, and will determine, among other things, whether to pursue preference, fraudulent conveyance, and other actions available to the Debtors' estates under the Bankruptcy Code. A copy of the Creditors' Trustee's biography is attached hereto as **Exhibit B**. The Creditors' Trustee has significant experience dealing with troubled companies and has served as a court-appointed receiver in federal and state courts.

E. Avoidable Transfers

On or about November 16, 2007, Petters Aviation acquired from the Whitebox Entities all of their ownership interests in MN Airline Holdings, Inc., as well as certain evidence of indebtedness from MN Airline Holdings to the Whitebox Entities. Petters Aviation paid \$1,000,000 cash and executed a Non-Recourse Promissory Note dated November 16, 2007 in the amount of \$12,500,000. The Creditors' Trust shall retain the right to assert that this is a fraudulent transfer, as well as challenge the validity of the claim of the Whitebox Entities based on the nonrecourse promissory note or any other applicable grounds.

As described in more detail above, Petters Aviation also examined possible fraudulent transfer and preference claims in connection with the contention that its claim against Sun Country is subordinated to the claim of the Whitebox Entities. As a result of its examination, Petters Aviation commenced an adversary proceeding against the Whitebox Entities on or about August 13, 2010, as case no. 10-04175.

The Creditors' Trustee will investigate other pre-petition transfers that may be challenged as avoidable under the Bankruptcy Code and shall have the right to bring such actions subject to the time and other limitations imposed by the Bankruptcy Code and any order of the Bankruptcy Court.

F. Intercompany Claims

Simultaneously with the filing of this Disclosure Statement, ABRG filed objections to the claims asserted against Petters Aviation by various entities owned or controlled by Thomas J. Petters. ABRG seeks disallowance of such intercompany claims on the grounds that they are not valid obligations of Petters Aviation, that such claims were repaid, converted to equity, should be recharacterized, or are otherwise unenforceable against the Debtors. ABRG believes that it will be successful in disallowing in full, or substantially reducing, such intercompany claims.

G. Claim Objections

Except to the extent that a claim is already allowed pursuant to a final nonappealable order, following the effective date of the Plan, the Creditors' Trustee shall have the exclusive right to object to claims. The Creditors' Trustee, upon investigation, may determine in his discretion whether to object to all or any one of the claims made against the Debtors. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later asserted and upheld. The procedures for resolving disputed claims are discussed further in the Plan.

H. Current and Historical Financial Conditions

1. Current Assets of Petters Aviation.

During the Chapter 11 case, Petters Aviation has managed its own affairs and those of its subsidiaries other than MN Airline Holdings, Inc. and Sun Country Airlines. The status of its assets at the time of this Disclosure Statement are as follows:

- a. Claims Against MN Airline Holdings, Inc. in the Amount of \$8,181,818.00. These claims are based on three "Secured Convertible Notes" dated October 31, 2006. Two of these notes were originally executed in favor of the Whitebox Entities and were sold to Petters Aviation as of November 16, 2007 in connection with the acquisition by Petters Aviation of the stock previously held by the Whitebox Entities in MN Airline Holdings, Inc. These and other Petters-related claims were allowed in full pursuant to the confirmed Sun Country plan.
- b. Petters Aviation, LLC Claim Against Sun Country. Petters Aviation's claims against Sun Country Airlines were allowed under Sun Country's recently confirmed plan of reorganization.
- c. Sale Proceeds. \$250,000 in sale proceeds from the court-approved sales by Petters Aviation of Southwest Aviation, Inc. and certain miscellaneous aircraft-related equipment and \$30,000 in additional funds paid by MinnWest Bank pursuant to a stipulation between the parties approved by the court.
- d. Claim Against Elite Landings, LLC. Petters Aviation, LLC holds an undisputed claim of \$9,500,000.00 against Elite Landings, LLC. It is the only undisputed claim against Elite Landings. Elite Landings' only other scheduled creditors are Petters Company, Inc., with a disputed claim of \$500,000, which is subject to setoff, and a claim of Thomas J. Petters, Inc. in the amount of \$2,000,000, which is also disputed and subject to setoff. Other filed claims previously consisted of claims by several other Petters entities, some in an undetermined amount, and a claim of Hawthorne Corp. in the amount of \$106,409.34. These claims have since been disallowed, withdrawn, or objected to, with the exception of the one held by its parent company, Petters Aviation.

- e. Petters Aircraft Leasing, LLC. At this time, PAL has two primary assets:
 - i. \$3 million paid by CIT in connection with the Strict Foreclosure Agreement; and
 - ii. A pre-petition claim that was allowed under the Sun Country Airlines' plan which will entitle PAL to common stock totaling approximately 30% of the equity in the reorganized company. In addition, an administrative rent claim was allowed in the amount of \$1,500,000 pursuant to the confirmed Sun Country plan and will be paid over time; and

2. Current Assets of Elite Landings.

The assets of Elite Landings are as follow:

- a. Approximately \$8 million, consisting of the remaining proceeds of deposits refunded by Airbus at or about the time of the filing of the Debtors' bankruptcy filings; and
- b. A claim against Sun Country in the face amount of \$3 million based on money loaned to Sun Country through Petters Aviation. This amount is included in Petters Aviation's claim against Sun Country, which has now been allowed.

III. SUMMARY OF THE PLAN AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan of Liquidation?

As required by the Bankruptcy Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Bankruptcy Code. They are not considered impaired, and holders of such claims do not vote on the Plan. Holders of non-voting claims may, however, object to confirmation of the Plan. ABRG has not placed the following claims in any class:

1. Administrative Expenses

Administrative expenses are costs or expenses of administering the Debtors' Chapter 11 cases, which are allowed under § 507(a)(2) of the Bankruptcy Code. The Bankruptcy Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the estimated unpaid administrative expenses as of the effective date of the Plan, and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed at Confirmation</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course After the Petition Date	\$15,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
Professional Fees, as approved by the Court	\$30,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Bankruptcy Court on the effective date of the Plan.
Clerk's Office Fees	Unknown	Paid in full on the effective date of the Plan.
Other administrative expenses	Unknown	Paid in full on the effective date of the Plan or according to separate written agreement.
Office of the U.S. Trustee Fees	Unknown	Paid in full on the effective date of the Plan.
TOTAL	\$45,000.00 ¹	

2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Bankruptcy Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding five years from the order of relief.

Based on information provided by the Debtors, ABRG does not believe that the Debtors have any § 507(a)(8) priority tax claims.

C. Classes of Claims and Equity Interests

¹ In view of the existing cash balances of both Debtors' estates, there are sufficient funds to pay these claims in full. These estimates are the same as those provided in the Debtors' Disclosure Statement and may need to be updated upon ABRG's receipt of more recent information from the Debtors.

The following are the classes set forth in the Plan and the proposed treatment that each class will receive under the Plan:

1. Class 1-Priority Non-tax Claims

Allowed claims against either Debtor entitled to priority under § 507 of the Bankruptcy Code (except administrative expense claims under § 507(a)(2) and priority tax claims under § 507(a)(8)).

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Bankruptcy Code are required to be placed in classes. The Bankruptcy Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may accept different treatment.

Based on information provided by the Debtors, ABRG believes that there are no known priority non-tax unsecured claims against the Debtors.

Class	Impairment	Treatment
Class 1 - Priority claims other than administrative expense claims and priority tax claims	Unimpaired	Each holder of a Class 1 priority claim will be paid in full, in cash, upon the later of the effective date of the Plan, or on the date on which such claim is allowed by a final non-appealable order, or pursuant to an agreement with the holder of a priority claim and the Creditors' Trustee.

2. Class 2- Secured Claims

Allowed secured claims are claims secured by property of the Debtors' bankruptcy estates (or that are subject to setoff) to the extent allowed under § 506 of the Bankruptcy Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency is classified as a general unsecured claim, except where otherwise prohibited by the Bankruptcy Code or other applicable law.

The secured claims, to the extent allowed, of the Whitebox Entities against Petters Aviation shall be classified in Class 2 and their proposed treatment under the Plan shall be as follows:

ABRG believes that all other secured claims against the Debtors have been satisfied by return of their collateral or some other disposition.

Class	Impairment	Treatment
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Class 2 - Secured claims	Unimpaired	To the extent that the Creditors' Trustee is able to sell the collateral that secures this claim, the holder of any claim in Class 2, if allowed, will be entitled to receive the net proceeds of the collateral after deductions of the costs of the liquidation. If the Creditors' Trustee is unable to sell the collateral within 120 days of the later of the effective date or the date the claim is allowed, such collateral shall be abandoned to the holder. The holder of any claim in Class 2 shall <u>not</u> be entitled to an unsecured deficiency claim by operation of Sections 1111(b) and 510(b) of the Bankruptcy Code.
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3. Class 3- General Unsecured Claims

Class 3 includes general unsecured claims allowed against Petters Aviation that (i) are not secured by property of the estate, (ii) are not entitled to priority under § 507(a) of the Bankruptcy Code, and (iii) are not Class 4 claims.

The following chart identifies the Plan's proposed treatment of creditors in Class 3, which contain general unsecured claims against Petters Aviation. As discussed above, there are no general unsecured claims against Elite Landings, with the exception of the claim held by its parent company, Petters Aviation.

Class	Impairment	Treatment
Class 3 - Unsecured claims against Petters Aviation, which are <u>not</u> Class 4 claims.	Impaired	Each holder of an allowed claim in Class 3 will receive its pro rata share of any amounts available for distribution from the Creditors' Trust from time to time, as described further in Section 7.03 of the Plan.

4. Class 4-Convenience Claims

The following chart identifies the Plan's proposed treatment of Class 4, which contains any general unsecured claim allowed against Petters Aviation under Section 502 of the Bankruptcy Code (i) the amount of which claim is less than or equal to \$150,000.00; or (ii) the holder of which claim makes a written election, prior to the initial date set for hearing to consider confirmation of this plan, to reduce such claim to \$150,000.00.

Class	Impairment	Treatment
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Class 4 - Convenience claims against Petters Aviation	Impaired	Each holder of an allowed claim in Class 4 shall receive, in full and complete satisfaction of its allowed Class 4 claim, a single cash payment equal to 30% of its allowed claim within thirty (30) days of the later of the date the claim is allowed and the date that the Creditors' Trust has sufficient cash to make the distributions to all holders of Class 4 claims, provided, however, that the aggregate amount used to satisfy all such holders of Class 4 claims shall not exceed \$200,000. ABRG believes that the total claims likely to fall within Class 4 will equal \$600,000 or less and that \$200,000 is sufficient to pay each Class 4 creditor a 30% cash dividend.
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5. Classes 5 and 6-Equity Interests

The equity interest holders in each Debtor consist of LLC membership interests. The following chart sets forth the Plan's proposed treatment of the classes of equity interests:

Class	Impairment	Treatment
Class 5 - All equity interests in Petters Aviation	Impaired	No holder of an equity interest in Petters Aviation, shall be entitled to, nor shall receive or retain, any property or interest in property on account of such equity interest. On the effective date, all such equity interests shall be cancelled, extinguished, and discharged.
Class 6 - All equity interests in Elite Landings	Impaired	Petters Aviation and its successor, the Creditors' Trust, will retain the 100% equity interest in Elite Landings.

D. Means of Implementing the Plan

1. Source of Payments

The source of payments will be proceeds of liquidation of the assets of the Debtors that become available for distribution. For further details on the sources of payment, please see the Plan and the summary of assets discussed herein.

2. Personnel

As set forth in more detail therein, the Plan will be implemented and administered by the creation of a single Creditors' Trust for the Debtors. The Creditors' Trust will be

managed by the Creditors' Trustee. The Creditors' Trust shall retain the Debtors' current President and Chief Executive Officer, T. Jay Salmen, as an employee "at will" to assist in the remaining wind-down of the Debtors. Mr. Salmen's compensation and benefits, and the duration of his employment, shall be determined by the Creditors' Trustee in his sole discretion.

E. Executory Contracts and Unexpired Leases

According to the Debtors, there are no executory contracts or unexpired leases to which they are a party that have not already been rejected or that have not expired by their terms.

F. Tax Consequences of the Plan

The following are the anticipated tax consequences of the Plan to the Debtors and the holders of any claims. This summary is based upon current law, which is subject to change at any time, possibly with retroactive effect. This summary is not a complete discussion of all federal income tax consequences to the Debtors and the creditors and does not address federal income tax consequences applicable to creditors subject to special treatment under federal income tax law. In addition, this summary does not address the tax consequences of the Plan under applicable state, local or foreign tax laws or federal gift and estate tax laws.

THIS SUMMARY IS INCLUDED FOR YOUR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE A TAX OPINION OR ADVICE ON MATTERS OF TAXATION. EACH CREDITOR SHOULD CONSULT WITH AN INDEPENDENT TAX ADVISOR, ACCOUNTANT OR ATTORNEY TO DETERMINE THE TAX CONSEQUENCES RELATED TO THE PLAN AND HIS, HER OR ITS PARTICULAR CIRCUMSTANCES, INCLUDING ANY STATE, LOCAL AND FOREIGN TAX CONSEQUENCES RESULTING FROM THE IMPLEMENTATION OF THE PLAN.

1. Tax Consequences to the Debtors of the Plan.

Prior to the effective date of the Plan, each of the Debtors is treated as a "disregarded entity" for federal income tax purposes. In general, for federal income tax purposes, items of income, gain, loss or deduction of a disregarded entity, and the related federal income tax consequences of such items, are the responsibility of the owner of the disregarded entity, not the disregarded entity itself. Accordingly, to the extent that the Plan would otherwise trigger federal income tax consequences to the Debtors, the Debtors believe that the federal income tax consequences of the Plan will not be borne by them, but instead will be borne by Thomas Petters, Inc.

2. General Tax Consequences on Creditors of any Discharge, and the General Tax Consequences of Receipt of Plan Consideration After Confirmation.

Upon confirmation of the Plan and its funding, a creditor may receive a distribution at the time and in the manner provided in the Plan. The tax consequences

to the creditors will vary depending upon factors that are unique to each creditor including, but not limited to: (i) whether the claim is business or non-business related; (ii) whether the claim relates to interest, principal, or penalty; (iii) the type of claim and its origin; (iv) the federal tax status of the recipient receiving the distribution under the Plan; (v) the recipient's method of accounting; (vi) the recipient's prior treatment of the indebtedness including whether the recipient has deducted the claim as a bad debt for federal income tax purpose; and (vii) the recipient's tax basis in the item for which a claim is being made.

EACH CREDITOR IS SUBJECT TO DIFFERENT FACTORS THAT ARE UNIQUE AND MAY RESULT IN DIFFERENT TAX CONSEQUENCES TO EACH CREDITOR UNDER THE PLAN. DUE TO THE COMPLEXITY OF THESE FACTORS, EACH CREDITOR SHOULD CONSULT WITH AN INDEPENDENT TAX ADVISOR, ACCOUNTANT OR ATTORNEY TO DETERMINE THE TAX CONSEQUENCES TO THE CREDITOR UNDER THE PLAN BASED UPON HIS, HER OR ITS PARTICULAR AND UNIQUE CIRCUMSTANCES.

3. *IRS Circular 230 Notice.*

To ensure compliance with IRS Circular 230, holders of claims and equity interests in the Debtors are hereby notified that:

- a. any discussion of federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be used, by holders of claims and equity interests in the Debtors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code;
- b. such discussion is written in connection with the promotion or marketing by the Debtors of the transactions of matters addressed herein; and
- c. holders of claims and equity interests in the Debtors should seek advice based on their particular circumstances from an independent tax advisor.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Bankruptcy Code. These requirements include: the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan (without counting votes of insiders); the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both allowed or allowed for voting purposes and impaired.

In this case, the Debtors believe that Class 3 and Class 4 are impaired and that holders of claims or interests in these classes are entitled to vote to accept or reject the Plan. The Debtors believe that the remaining classes are unimpaired or are deemed to have rejected the plan without voting. Holders of claims in unimpaired classes do not have the right to vote to accept or reject the Plan.

Creditors in classes that are eligible to vote will receive a ballot that allows them to vote to accept or reject the Plan. The ballot will include a mechanism by which holders of claims that would otherwise fall into Class 3 may elect to reduce their claims to \$150,000.00, be considered a Class 4 claim, and receive a one-time 30% cash dividend.

As noted below, ABRG reserves the right to seek confirmation by “cram-down.”

1. What Is an Allowed Claim?

Only a creditor with an allowed claim has the right to vote on the Plan. Generally, a claim is allowed if either (1) a debtor has scheduled the claim on its schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim, unless an objection has been filed to the proof of claim. When a claim is not allowed, the creditor holding the claim cannot vote unless the Bankruptcy Court, after notice and hearing, either overrules the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in these cases was March 12, 2009, except the deadline for governmental units was April 6, 2009.

2. What is an Impaired Claim?

As noted above, the holder of an allowed claim has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. Who is Not Entitled to Vote

The holders of the following types of claims and equity interests are not entitled to vote:

- holders of claims or interests that have been disallowed by an order of the Court;

- holders of other claims or interests that are not “allowed claims” (as discussed above), unless they have been “allowed” for voting purposes;
- holders of claims or interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Bankruptcy Code;
- holders of claims or interests in classes that do not receive or retain any value under the Plan; and
- holders of administrative expenses claims.

Even if you are not entitled to vote on the Plan, you may have the right to object to the confirmation of the Plan.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as an impaired secured claim or interest and in part as an impaired unsecured claim, or who otherwise holds impaired claims or interests in more than one class, is entitled to vote to accept or reject the Plan in each capacity, and should cast one ballot for each claim.

B. *Votes Necessary to Confirm the Plan*

If impaired classes exist, the Court cannot confirm the Plan unless (1) all impaired classes have voted to accept the Plan, or (2) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and the Plan is eligible to be confirmed by “cram-down” on non-accepting classes, as discussed below.

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan. A class of interests accepts a plan if at least two-thirds in amount of the interest of those voting accept the Plan.

2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes rejects the Plan, the Court may, nonetheless, confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Bankruptcy Code. A plan that binds nonaccepting classes is commonly referred to as a “cram-down” plan. The Bankruptcy Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of §

1129(a)(8) of the Bankruptcy Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

Please take notice that ABRG intends to utilize the so-called “cram-down” provisions under § 1129(b) of the Bankruptcy Code in the event that all impaired classes do not vote to accept the Plan.

You should consult your own attorney if a cram-down confirmation will affect your claim, as the variations on this general rule are numerous and complex.

C. Alternatives to the Plan

Except for cash on hand, the assets consist of claims against entities in chapter 11 proceedings or receivership. Thus, the value of the claims is uncertain as to the amount of any distribution on account of the claims. Similarly, many of the general unsecured claims against Petters Aviation (most notably, those held by various affiliates) are disputed. Accordingly, a meaningful liquidation analysis can not be prepared at this time.

If the Plan is not confirmed and these cases are converted to liquidation under Chapter 7 of the Bankruptcy Code, the estates will incur additional administrative expenses consisting of Chapter 7 Trustee commissions and the fees and expenses incurred by the Chapter 7 Trustee’s professionals gaining the background and knowledge about the details of these cases already possessed by those familiar with the issues of this case. The likely outcome in a Chapter 7 would both limit and delay the distribution proceeds available due to higher costs of administration and the time needed for new personnel to become conversant with the issues. In addition, a Chapter 7 trustee will be entitled to a fee. This fee will not be incurred under the Plan. Accordingly, it is anticipated that creditors will fare better if the case remains in Chapter 11 and ABRG’s Plan is confirmed.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors, unless such liquidation or reorganization is proposed in the Plan.

1. Ability to Initially Fund Plan

According to information provided by the Debtors, ABRG believes that the Debtors’ estates will have enough cash on hand on the effective date of the Plan to (i) pay all the claims and expenses that are required to be paid on that date; (ii) make an initial distribution to holders of allowed Class 3 and Class 4 claims, and (iii) create a reserve with which to satisfy all future administrative costs.

2. Ability to Make Future Plan Payments and Operate Without Further Reorganization

ABRG believes that the Debtors' estates will have enough cash over the life of the Plan to make the required Plan payments.

Based on the financial information in the Debtors' most recently filed monthly operating reports (attached hereto as **Exhibits C and D**) and other information provided in these Chapter 11 cases, ABRG believes that Debtors' estates will have sufficient resources to implement the proposed structure contemplated by this Plan.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to the Debtors' Ability to Make Plan Payments.

V. EFFECT OF CONFIRMATION OF PLAN

A. Discharge of Debtors

Pursuant to 11 U.S.C. § 1141, the Debtors will not receive a discharge.

B. Modification of Plan

ABRG retains the right to seek to modify the Plan to the full extent permitted by 11 U.S.C. § 1127 and the Federal Rules of Bankruptcy Procedure.

C. Binding Effect of the Plan

In general, upon confirmation of the Plan, the provisions of the Plan bind the Debtors, any entity issuing securities under the Plan, any entity acquiring property under the Plan and any creditor and equity security holder whether or not the claim or interest of the creditor or equity security holder is impaired under the Plan and whether or not the creditor or equity security holder has accepted the Plan. In addition, except as otherwise provided in the Plan or the order confirming the Plan, confirmation of a plan vests all of the property of the estate in the Creditors' Trust. After confirmation, except as provided in the Plan or in the Bankruptcy Code, the property dealt with by the Plan is free and clear of all claims and interests of creditors and equity security holders in the Debtors.

Respectfully submitted,

PLAN PROPONENT

ASSET BASED RESOURCE GROUP,
LLC

By 

Mark Sullivan, Member

ATTORNEYS FOR PLAN PROPONENT

WINTHROP & WEINSTINE

Dated: October 8, 2010

By /s/ Christopher A. Camardello

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EXHIBIT A

Copy of Proposed Joint Plan of Liquidation

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Bky. Case No. 08-45136 (RJK)
Petters Aviation, LLC, Chapter 11
Debtor.

Elite Landings, LLC, Bky. Case No. 08-45210 (RJK)
Debtor. Chapter 11

**JOINT PLAN OF LIQUIDATION
PROPOSED BY ASSET BASED RESOURCE GROUP, LLC
DATED OCTOBER 7, 2010**

This Joint Plan of Liquidation (the "Plan") proposed by Asset Based Resource Group, LLC ("ABRG") under chapter 11 of the United States Bankruptcy Code¹ proposes to pay the respective creditors of Petters Aviation, LLC ("Petters Aviation") and Elite Landings, LLC ("Elite Landings" and collectively, the "Debtors") from the proceeds of liquidation of their respective assets.

**ARTICLE I
SUMMARY**

ABRG proposes this Plan for both Debtors jointly. The Plan proposes to deal with the assets, liabilities and ownership interests of each Debtor separately, except as explicitly set forth in the Plan. The assets of each Debtor to be liquidated are primarily claims against MN Airlines, LLC, d/b/a Sun Country Airlines ("Sun Country"), which until recently was also a debtor-in-possession under Chapter 11 of the United States Bankruptcy Code, its parent, MN Airline Holdings, Inc., which was similarly a debtor-in-possession under Chapter 11 of the Bankruptcy Code, and claims against various other entities, which are either in bankruptcy or in receivership and were at one time within the business ambit of Thomas Petters. On the effective date of the Plan, the assets of each Debtor will be transferred to a single creditors' trust, which will be managed by James A. Bartholomew, of Lighthouse Management Group, LLC (the "Creditors' Trustee") as discussed in Article VII below.

¹ Unless otherwise identified, all references to statutory sections shall refer to sections of the United States Bankruptcy Code.

The Plan provides for interim distributions to the holders of allowed claims where appropriate. Unsecured creditors holding allowed claims will receive pro rata distributions from the Creditors' Trust based on the resolution and the liquidation of the assets of each Debtor. This Plan also provides for the payment of administrative and priority claims in accordance with the Bankruptcy Code and the creation of a convenience class.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.01 Class 1 - All allowed claims against either Debtor entitled to priority under § 507 of the Bankruptcy Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)).
- 2.02 Class 2 - The secured claims, to the extent allowed, of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC (the Whitebox Entities") against Petters Aviation. The Whitebox Entities' claims are secured on a non-recourse basis, by a security interest and pledge of 1,851.19 shares of Voting Common Stock, 2,648.82 shares of Non-Voting Common Stock and 1,871.54 shares of Series A Preferred Stock of MN Airline Holdings, Inc., the parent of Sun Country Airlines, together with two Amended and Restated Secured Convertible Notes in the original principal amounts of \$1,867,390.00 and \$3,041,701.00, respectively, of MN Airline Holdings, Inc. Petters Aviation has disputed this claim.
- 2.03 Class 3 - All allowed unsecured claims against Petters Aviation under Section 502 of the Bankruptcy Code.
- 2.04 Class 4 – Any unsecured claim allowed against Petters Aviation under Section 502 of the Bankruptcy Code (i) the amount of which claim is less than or equal to \$150,000.00; or (ii) the holder of which claim makes a written election, prior to the initial date set for hearing to consider confirmation of this Plan, to reduce such claim to \$150,000.00.
- 2.05 Class 5 - All equity interests in Petters Aviation. These interests were held by Thomas Petters, Inc., and are now held by Douglas A. Kelley, in his capacity as receiver for Thomas Petters Inc.
- 2.06 Class 6 - The interests of Petters Aviation as 100% owner of the equity interests in Elite Landings.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

- 3.01 Unclassified Claims. Under section § 1123(a)(1) of the Bankruptcy Code, administrative expense claims and priority tax claims are not organized in classes.
- 3.02 Administrative Expense Claims. Each holder of an administrative expense claim against either Debtor allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Section 8.02) in cash, or upon such other terms as may be agreed upon by the holders of the claims and the Creditors' Trustee.
- 3.03 Priority Tax Claims. Each holder of a priority tax claim against either Debtor will be paid on terms consistent with § 1129(a)(9)(C) of the Bankruptcy Code. According to information provided by the Debtors, ABRG believes there are no such claims against the Debtors.
- 3.04 United States Trustee Fees. All fees either Debtor is required to pay by 28 U.S.C. § 1930(a)(6). U.S. Trustee Fees will accrue and be paid when due as required by law. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

- 4.01 In full satisfaction of the claims described herein, the claims shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 - Priority claims other than administrative expense claims and priority tax claims	Unimpaired	Each holder of a Class 1 priority claim will be paid in full, in cash, upon the later of the effective date of this Plan, or on the date on which such claim is allowed by a final non-appealable order, or pursuant to an agreement with the holder of a priority claim and the Creditors' Trustee.

Class	Impairment	Treatment
Class 2 - Allowed secured claim of Sun Minnesota Foreign Holdings, LLC and Sun Minnesota Domestic Holdings, LLC	Unimpaired	To the extent that the Creditors' Trustee is able to sell the collateral that secures this claim, the holder of any claim in Class 2, if allowed, will be entitled to receive the net proceeds of the collateral after deductions of the costs of the liquidation. If the Creditors' Trustee is unable to sell the collateral within 120 days of the later of the effective date or the date the claim is allowed, such collateral shall be abandoned to the holder. The holder of any claim in Class 2 shall not be entitled to an unsecured deficiency claim by operation of Sections 1111(b) and 510(b) of the Bankruptcy Code.
Class 3 - Unsecured claims against Petters Aviation (other than Class 4 claims)	Impaired	Each holder of an allowed claim in Class 3 will receive its pro rata share from the Creditors' Trust of any amounts available for distribution from time to time, as described further in Section 7.03 of this Plan.
Class 4-Convenience claims against Petters Aviation	Impaired	Each holder of an allowed claim in Class 4 shall receive, in full and complete satisfaction of its allowed Class 4 claim, a single cash payment equal to 30% of its allowed claim within thirty (30) days of the later of the date the claim is allowed and the date that the Creditors' Trust has sufficient cash to make the distributions to all holders of Class 4 claims, provided, however, that the aggregate amount used to satisfy all such holders of Class 4 claims shall not exceed \$200,000. ABRG believes that the total claims likely to fall within Class 4 will equal \$600,000 or less and that \$200,000 is sufficient to pay each Class 4 creditor a 30% cash dividend.
Class 5 - All equity interests of Petters Aviation	Impaired	No holder of an equity interest in Petters Aviation, shall be entitled to, nor shall receive or retain, any property or interest in property on account of such equity interest. On the effective date, all such equity interests shall be cancelled, extinguished, and discharged.
Class 6 - All equity interests of Elite Landings	Impaired	Petters Aviation and its successor, the Creditors' Trust, will retain the 100% equity interest in Elite Landings.

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

- 5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either (i) a proof of claim has been filed or deemed filed, and the Debtors, the Creditors' Trustee or another party in interest have filed an objection; or (ii) no proof of claim has been filed, and the Debtors have scheduled such claim as disputed, contingent or unliquidated. Following the effective date of the Plan, the Creditors' Trustee shall have the exclusive right to object to claims. Such objections shall be brought within ninety (90) days of the effective date, or such later date as the Bankruptcy Court may establish upon request by the Creditors' Trustee. Any claim for which no objection has been filed within the time fixed by this Section 5.01, including any extension granted by the Bankruptcy Court, shall be deemed an allowed claim in the amount as set forth in the proof of claim filed with the Bankruptcy Court, or, if no proof of claim is filed, as listed in the Debtors' schedules and not identified as disputed, contingent or unliquidated as to amount. Any claim that is scheduled as disputed, contingent or unliquidated in amount, and for which a proof of claim has not been filed, shall be deemed expunged, without further act or deed.
- 5.02 Estimation of Claims. The Creditors' Trustee may seek estimation of any claims pursuant to the Bankruptcy Code.
- 5.03 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.
- 5.04 Settlement of Disputed Claims. The Creditors' Trustee will have the exclusive right and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.
- 5.05 Administrative Expense Claims Bar Date. Unless expressly allowed prior to the effective date, any holder of an administrative expense claim against either Debtor shall file with the Bankruptcy Court and serve upon the Creditors' Trustee a request for payment of such administrative expense claim within thirty (30) days after the effective date. Any holder of an administrative expense claim that fails to timely file and serve such request by the deadline set forth in this Section 5.05 shall be forever barred, estopped, and enjoined from asserting such administrative expense claim against the Debtors, their estates, the Creditors' Trust, the Creditors' Trustee, and such administrative expense claim will be deemed discharged as of the effective date. The Creditors' Trustee shall have ninety (90) days after the effective date, or such later date as the Bankruptcy Court may establish upon request by the Creditors' Trustee, to object to any administrative expense request. Any administrative expense claim for which no objection has been filed within the time fixed by this Section 5.05, including any

extension granted by the Bankruptcy Court, shall be deemed an allowed claim in the amount as set forth in the request filed with the Bankruptcy Court.

ARTICLE VI
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

- 6.01 Assumed Executory Contracts and Unexpired Leases. ABRG is unaware of any executory contracts or unexpired leases that the Debtors' estates would wish to assume. ABRG reserves the right to seek to assume and assign any executory contracts or unexpired leases under Section 365 of the Bankruptcy Code at any time prior to the effective date of the Plan.
- 6.02 The Debtors' estates will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed before the date of the order confirming this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than the earlier of the time set in any order entered prior to the effective date of this Plan, or thirty (30) days after the date of the order confirming this Plan.

ARTICLE VII
MEANS FOR IMPLEMENTATION OF THE PLAN

- 7.01 Administration. The Plan will be implemented and administered by the formation of a single creditors' trust for the Debtors (the "Creditors' Trust"). On the effective date, all property of both Debtors' estates shall automatically vest in and become property of the Creditors' Trust free and clear of all liens, claims, encumbrances, and interests.
- 7.02 Appointment of Creditors' Trustee. The Creditors' Trust shall be managed by one (1) trustee, James A. Bartholomew (the "Creditors' Trustee"). The Creditors' Trustee shall have the powers, duties, and obligations set forth in this Plan and in the Creditors' Trust Agreement. After the effective date, all actions required of the Debtors shall be taken solely by the Creditors' Trustee, or his designee, in the name of and on behalf of the Debtors and their estates. The Creditors' Trustee shall be the official and exclusive representatives of the Debtors' estates, and shall be authorized to execute documents on behalf of the Debtors and their estates without further action or authority by or from officers, directors, or shareholders of the Debtors, as may otherwise have been required under applicable non-bankruptcy law, and all third parties may rely upon such signature without further certification.
- 7.03 Execution of Trust Agreement. On the effective date, the Creditors' Trustee and the Debtors on behalf of themselves and their respective estates will execute the Creditors' Trust Agreement, which shall include such standard and customary terms that are acceptable to the Creditors' Trustee and the Debtors in consultation with the creditors' committee and shall be filed with the Bankruptcy Court prior to any hearing on confirmation of this Plan.

- 7.04 Vesting of Assets of Estates. The Creditors' Trustee shall distribute the cash and other assets belonging to the Creditors' Trust to the holders of allowed claims in accordance with the provisions of the Plan and the Creditors' Trust Agreement.
- 7.05 Payment of Allowed Administrative Expense and Priority Claims. Consistent with the practice during the administration of these Chapter 11 cases, allowed administrative expense and priority claims will be paid from available funds. If Petters Aviation is not in possession of sufficient unencumbered funds, the Creditors' Trustee will pay the allowed administrative expenses and priority claims from the assets available in the Creditors' Trust.
- 7.06 Proceeds of Liquidation and Distribution. On the effective date, the Creditors' Trustee shall establish at least one deposit and checking account for the Creditors' Trust. To the extent either estate holds cash proceeds from the sale of property in which a security interest is claimed, the Creditors' Trustee shall establish a separate account into which sale proceeds may be deposited pending the resolution of any dispute or objection to any secured claim. The remaining assets of the estates will be sold or otherwise disposed of and the net proceeds thereof will be deposited in the deposit account for the Creditors' Trust. The Creditors' Trustee shall hold all cash in the deposit account for distributions in accordance with the Plan. Any distributions pursuant to the Plan shall be rounded down to the nearest whole dollar and shall be made in cash, including by check or wire transfer. The distributions and other treatment afforded holders of claims and interests under this Plan shall be the only payments received by the holders of claims against, or interests in, the Debtors.
- 7.07 Claims of the Estate. The Creditors' Trustee shall have all of the rights and benefits of a "trustee" under the Bankruptcy Code and shall be the exclusive "representative of the estate" for the purposes of 11 U.S.C. § 1123(b)(3) and shall exclusively retain and enforce, and the Debtors expressly reserve and preserve for these purposes, any claim, right, cause of action, or interest belonging to the Debtor or the estates of the Debtors against any person or entity, which shall vest in the Creditors' Trust. The Creditors' Trustee shall have the authority to assert, prosecute and settle all claims and causes of action that belong to the Debtors or their respective estates, including without limitation, Bankruptcy Causes of Action under 11 U.S.C. § 547 or similar state laws made applicable in bankruptcy pursuant to 11 U.S.C. § 544, through and including the date by which claims or causes of action may be asserted pursuant to the Bankruptcy Code or applicable law. The Creditors' Trustee shall also have the authority to pursue and defend any and all claims, defenses, counterclaims, and causes of action against any third parties, including related entities such as Thomas Petters, Inc., Petters Group Worldwide, LLC, Petters Capital, LLC, and Petters Company, Inc. Accordingly, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise) or laches shall apply to such claims, defenses, counterclaims, or causes of action and Bankruptcy Causes of Action by virtue of or in connection with the confirmation,

consummation of effectiveness of the Plan. The Creditors' Trustee or his respective successors or assigns exclusively may pursue such retained claims, defenses, counterclaims, rights, interests, causes of action or Bankruptcy Causes of Action.

- 7.08 Creditors' Trustee's Authorization. The Creditors' Trustee shall have the power to, among other things:
- a. Open accounts necessary or advisable to maintain and distribute funds of the estate.
 - b. Take any action on behalf of the estate necessary to administer the estate, including but not limited to enforcing claims of the estate and collecting amounts due with respect to such claims.
 - c. Compromise and settle any claims of the estate as authorized under this Plan without approval of the Bankruptcy Court.
 - d. Employ professionals and consultants (which may include former employees of the Debtors) to assist the trust administration and sale of the assets and pursue their claims or interests.
 - e. Pay any fees, costs and expenses of the trust pending sale.
 - f. Make distributions to claimants pursuant to the Plan.
 - g. Prepare and file tax returns and pay all taxes due in connection therewith.
 - h. Prosecute and resolve claims, defenses, counterclaims, causes of action, Bankruptcy Causes of Action.
 - i. Approve or disapprove any corporate action, including any action that would otherwise require shareholder action under applicable state law.
 - j. Prepare and file a motion requesting entry of a final decree in these chapter 11 cases upon the resolution of and distribution to holders of allowed claims.
 - k. Exercise such other powers as are necessary and appropriate in accordance with and consistent with Minnesota law, or other applicable law, to fulfill the duties set forth in this Plan from funds of the estates, any former employees of the Debtors that are hired by the Creditors' Trustee shall receive reasonable compensation for their services, as well as reimbursement for all out-of-pocket fees, costs and expenses in acting under this Plan including, but not limited to, reimbursement of reasonable attorneys fees.

7.09 Retention of Professionals. The Creditors' Trustee may retain such attorneys (including special counsel), accountants, advisors, expert witnesses, and other professionals on behalf of the Creditors' Trust as he shall consider advisable without necessity of approval of the Court. Persons who served as professionals to the Debtors or the creditors' committee prior to the effective date may serve the Creditors' Trust if requested. The fees and expenses of the Creditors' Trustee and professionals retained by him on behalf of the Creditors' Trust shall be paid in the ordinary course from amounts held in the Creditors' Trust.

7.10 Conduct of Creditors' Trustee. The Creditors' Trustee shall exercise the rights and powers vested in him under this Plan, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under such circumstances in the administration of such person's own affairs, except that:

- a. the duties and obligations of the Creditors' Trustee shall be determined solely by the express provisions of this Plan and Creditors' Trust Agreement and he shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Plan and Creditors' Trust Agreement and no implied covenants or obligations shall be read into this Plan or the Creditors' Trust Agreement against the Creditors' Trustee; and
- b. the Creditors' Trustee shall not be liable for any action taken or not taken in good faith and in the exercise of reasonable judgment and believed to be within the discretion or power conferred by this Plan or the Creditors' Trust Agreement or be responsible for the consequences of any act or failure to act, except for bad faith, gross negligence or willful misconduct.

7.11 Exculpation and Indemnification. Provided the Creditors' Trustee exercises his rights and duties consistent with the provisions of this Article VII and the Creditors' Trust Agreement, the estate of each Debtor shall indemnify and hold harmless the Creditors' Trustee from any claim, liability, expense or damage arising from the discharge of such rights and powers under this Plan. Notwithstanding the foregoing, no provision of this Plan shall be construed to relieve the Creditors' Trustee from liability for his own gross negligence in acting or failing to act, or his own willful misconduct.

The provisions of this section shall apply to any right, conduct, power, duty or responsibility of the Creditors' Trustee under this Plan or the Creditors' Trust Agreement. None of the provisions of this Plan or the Creditors' Trust Agreement shall be construed to require the Creditors' Trustee to expend or risk his own funds or otherwise incur personal financial liability in the performance of his duties or in the exercise of his rights and powers.

7.12 Reliance on Documents and Statements. Except as otherwise provided in this Plan, the Creditors' Trustee:

- a. may rely upon and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other document believed by him to be genuine and to have been signed or presented by the proper party or parties;
- b. may consult with his legal counsel, and any written advice or opinion of their legal counsel shall be full and complete authorization and protection in respect of any action taken or not taken by them in good faith and in accordance with such advice or opinion of counsel;
- c. shall not be liable for any action taken or not taken if in good faith and believed by him to be authorized or within his discretion or rights or powers under this Plan; and
- d. may exercise any of the rights and powers, or perform any of the duties under this Plan whether directly or through agents or attorneys, and he shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care.

7.13 Bond and Insurance Requirements. On the effective date, or immediately thereafter, the Creditors' Trustee, from the proceeds of the Creditors' Trust, shall procure a "Bond of Creditors' Trustee of Confirmed Plan" in the initial amount equal to the estimated amount to be funded to the Creditors' Trust under the terms of this Plan. The bond shall be written by an insurance company authorized to do business in the State of Minnesota and written on a standard and customary bond form. The Creditors' Trustee may periodically adjust the amount of the bond to the extent that undistributed cash in the estates is less than the outstanding amount of the bond. In no event shall the amount of the bond be less than the amount of undistributed cash in the estates. The Creditors' Trustee shall submit a copy of the original bond to the Office of the United States Trustee.

7.14 Removal of Creditors' Trustee. Pursuant to the Plan and the Creditors' Trust Agreement, the Creditors' Trustee may be removed only for cause upon motion to the Court by a party-in-interest. If the Creditors' Trustee is removed for cause, such Creditors' Trustee shall not be entitled to any accrued but unpaid fees, reimbursements or other compensation under this Plan or otherwise. Under this Plan and the Creditors' Trust Agreement, the term "cause" shall mean (a) the gross negligence or willful failure by the Creditors' Trustee to perform his duties under the Creditors' Trust Agreement or (b) the misappropriation or embezzlement by the Creditors' Trustee of any assets belonging to the Creditors' Trust or the proceeds thereof, or (c) the continued or repeated negligence or failure by the Creditors' Trustee to perform his duties under the Plan. If the Creditors' Trustee is unwilling or unable to serve by virtue of his or her inability to perform his or her duties under the Creditors' Trust Agreement due to death, illness, or other physical or mental disability, subject to a final accounting, the Creditors' Trustee shall be entitled to all accrued and unpaid fees,

reimbursement, and other compensation, to the extent incurred or arising or relating to events occurring before such removal, and to any out-of-pocket expenses reasonably incurred in connection with the transfer of all powers and duties and all rights to any successor Creditors' Trustee.

7.15 Day-to-Day Operations of the Creditors' Trust. Following the effective date, the Creditors' Trust shall retain T. Jay Salmen, the current Chief Executive Officer and President of the Debtors, as an employee "at will" to carry out the Creditors' Trust's duties. Mr. Salmen's compensation and benefits, and the duration of his employment, shall be determined by the Creditors' Trustee.

7.16 Sources of Payments.

a. Payments and distributions on the allowed claims against and interests in Petters Aviation under the Plan will be funded by the following:

- i. Cash on hand from the sale of Southwest Aviation, Inc. and of certain equipment.
- ii. Distributions, if any, from Elite Landings on account of its claim against and equity interest in Elite Landings.
- iii. Distributions, if any, from its wholly-owned subsidiary, Petters Aircraft Leasing, LLC ("PAL"), on account of its claims against and equity interest in PAL.
- iv. Proceeds, if any, of Petters Aviation claims against Sun Country and MN Airline Holdings, Inc.
- v. Proceeds, if any, from liquidation of any other claims or other assets, of Petters Aviation and the net recoveries on any bankruptcy causes of action brought on behalf of the estate of Petters Aviation.

b. Payments and distributions on allowed claims against Elite Landings under the Plan will be funded by the following:

- i. Cash on hand from the return of purchase money deposits on airbus jets.
- ii. The net proceeds of any Elite Landings claims against Sun Country and MN Airline Holdings, Inc.
- iii. Other proceeds from liquidation of any other Petters-related claims.

7.17 Distribution. The Creditors' Trustee will distribute payments required to be made on the effective date on or before the effective date. Any distributions to secured creditors will be made in accordance with the treatment of each allowed secured creditor claim described elsewhere in this Plan. Distributions will be made to holders of allowed general unsecured claims in Class 3 within thirty (30) days of the effective date and every six (6) months thereafter (to the extent that cash is

available to do so). A final distribution will be made by the Creditors' Trustee within sixty days of the resolution of all disputed claims and the liquidation of all assets of the respective Debtor.

- 7.18 Distribution Method. The Creditors' Trustee will make distributions to the holders of allowed claims by regular first class mail at the address shown on the Proof of Claim, or if no Proof of Claim is filed on the address shown on the Debtors' Schedules. The holder of a claim may designate a different address in writing sent to the Creditors' Trustee or his or her attorneys. If at the time of any distribution date there are any disputed claims, the Creditors' Trustee will reserve the entire pro rata share of the proposed distribution which is attributable to the disputed claims before making distributions to the holders of allowed claims. The Creditors' Trustee will take reasonable steps to ascertain the most current address of the holder of any claim whose distribution check was returned as undeliverable. Unclaimed distributions (including distributions made by checks that failed to be negotiated) shall be held by the Creditors' Trustee for 90 days after the Distribution Date. Any distribution remaining unclaimed 90 days after the Distribution Date shall be cancelled, the claims relating to such distribution shall be expunged and forfeited and the holder of such claim shall receive no further distributions. Such unclaimed distributions shall revert to the Creditors' Trust and shall be included in any subsequent distribution made pursuant to this Plan.
- 7.19 Release of Distribution Reserve. Upon resolution of a disputed claim by agreement with the Creditors' Trustees or by final order of the Court, within 30 days thereafter, the Creditors' Trustees shall make a pro rata distribution from the Creditors' Trust to such holder in an amount equal to the same amount that would have been distributed had the disputed claim been an allowed claim on the respective distribution date in the amount allowed pursuant to the parties' agreement or the Court's final order. Pending completion of the claims review process, any additional payments or other distributions corresponding to claims which have been disallowed shall remain in the possession of the Creditors' Trustee pending the final distribution under this Plan or shall be paid into the general funds of the estates to be distributed in accordance with the terms of this Plan. Any contrary provision of this Plan notwithstanding, the Creditors' Trustee may, in his sole discretion, make a distribution pursuant to the terms of this Plan and the Creditors' Trust Agreement to that portion of a disputed claim, if any, that is not disputed.
- 7.20 Dissolution of the Debtors. From and after the effective date, each of the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Creditors' Trustee on behalf of the Debtors shall file with the appropriate state authority or authorities a certificate or statement of dissolution referencing this Plan. From and after the effective date, the Debtors shall not be required to file any

document, or take any other action, to withdraw its business operation from any states in which the Debtors were previously conducting business operations.

- 7.21 Resignation of Officers and Directors. Upon the effective date, all of the Debtors' respective officers, directors, managing members, general partners, or other governing authorities shall be deemed to have resigned without the necessity of any further action or writing and they shall be released from any responsibilities, duties, and obligations that arise after the effective date to the Debtors or their creditors under the Plan, the Creditors' Trust Agreement, or applicable law. Under no circumstances shall such parties be entitled to any compensation from the Debtors or the Creditors' Trustee for services provided after the effective date, unless such individuals are subsequently employed by the Creditors' Trustee to assist him in the consummation of the Plan or in the administration of the Creditors' Trust. The Creditors' Trustee is expressly authorized to retain any such former officers, directors, or employees upon such terms as may be determined by the Creditors' Trustee.
- 7.22 Existence of the Creditors Committee. On the effective date, the creditors committee appointed in the Petters Aviation case shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and the retention of the creditors committees' professionals shall terminate.
- 7.23 Remaining Funds Following Final Distribution. Following the final distribution, if there are remaining funds in any distribution account either due to unclaimed distributions or unanticipated receipts, and the amount does not exceed \$20,000.00, any proceeds remaining after payment of all expenses of the administration of the Plan may be distributed to the Minneapolis Chapter of the United Way, or such other qualified 501(c)(3) charitable organization in the State of Minnesota, as the Creditors' Trustee deems appropriate.

ARTICLE VIII GENERAL PROVISIONS

- 8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.
- 8.02 Effective Date of Plan. Absent the entry of a stay of the order confirming the Plan, the effective date of this Plan shall be the fifteenth day following entry of the Bankruptcy Court's order confirming this Plan. However, if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

- 8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.
- 8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
- 8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Minnesota govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX DISCHARGE

- 9.01 Discharge. Pursuant to 11 U.S.C. § 1141, the Debtors will not receive a discharge.

ARTICLE X OTHER PROVISIONS

- 10.01 Allowance of ABRG's Claims. The order confirming the Plan shall constitute an order allowing both (i) Claim No. 20 held by ABRG in the sum of \$10,170,734.42 and (ii) Claim No. 21 held by ABRG in the sum of \$20,563,358.22 (i.e. a total of \$30,734,092.64). Such allowed claims will be treated as allowed Class 3 claims.
- 10.02 Modification of the Plan. ABRG retains the right to seek to modify the Plan to the full extent permitted by 11 U.S.C. § 1127 and the Federal Rules of Bankruptcy Procedure.
- 10.03 Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction of this case under the provisions of the Bankruptcy Code including, without limitation, § 1142(b) thereof and of the Federal Rules of Bankruptcy Procedure to ensure that the intent and the purpose of the Plan is carried out and given effect. Without limitation by reason of specification, the Bankruptcy Court shall retain jurisdiction for the following purposes:
- a. to consider any modification of the Plan pursuant to § 1127 of the Bankruptcy Code and/or any modification of the Plan after substantial consummation thereof, and to cure any default or omission, or reconcile any inconsistency in the Plan or in any order of the Bankruptcy Court,
 - b. to hear and to determine:

- i. all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the Plan,
- ii. all controversies, suits and disputes, if any, as may arise between or among the holders of any class of claim and the Debtors,
- iii. all causes of action which may exist on behalf of the Debtors, including the Bankruptcy Causes of Action,
- iv. applications for allowance of compensation and objections to claims that have been timely asserted in accordance with orders of this Bankruptcy Court,
- v. any and all pending applications, adversary proceedings and litigated matters,
- vi. any motion to estimate claims,
- vii. any matters or issues arising with respect to any orders entered in these cases or as may arise in connection with the Plan, and
- viii. to enter a final decree closing these cases.

Respectfully submitted,

PLAN PROPONENT

ASSET BASED RESOURCE GROUP,
LLC

By



Mark Sullivan, Member

ATTORNEYS FOR PLAN PROPONENT

WINTHROP & WEINSTINE

Dated: October 8, 2010

By /s/ Christopher A. Camardello

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EXHIBIT B

Copy of Creditors' Trustee's Biography



REPRESENTATIVE ENGAGEMENT LIST

OPERATING BUSINESS RECEIVERSHIPS

- ◆ ***Select Source International vs Procedo, Inc.*** – Court File No. 82-CV-09-5421. Email archive and migration services.
- ◆ ***Community First Bank, vs. First United Funding, LLC. et. al.*** - Court File No. 19HA - CV-09-6282. Commercial specialty finance company.
- ◆ ***Center-Point Capital Partners, Inc., et. al., vs Minnesota Print Services, Inc. and Gerard F. Sellette, Jr.*** Court File No: 27-CV-09-22590. Ponzi scheme.
- ◆ ***American Bank of St. Paul vs Northern Alternative Energy, Inc., et. al.*** File No. 62-CV-08-2669. Wind farm properties.
- ◆ ***Associated Bank, National Association vs Chesley Truck, Inc., et. al.*** File No.: 62-CV-091537. Truck dealership.
- ◆ ***Bank of Scotland, plc vs. Lakeland Construction Finance, LLC*** Case File No. 27-CV-08-22657. Provider of financing to home builders and land developers. Total loan portfolio of \$530 million.
- ◆ ***American Express Travel Related Services Company, Inc. vs. Forest Lake Ford, Inc., et. al.*** US District Court Case No. 08-CV-00138. Ford auto dealership.
- ◆ ***Patrick T. Skelly vs. Joseph M. Capistrant, et. al.*** Case File No. 62-CV-08-1639. Receivership over the assets of Skelly & Capistrant P.A. law firm.
- ◆ ***Wells Fargo Bank N.A. vs. Shinders, Inc.*** Court File No. 27 CV 0621867. Multi store retailer of sports memorabilia and magazines.
- ◆ ***M&I Marshall and Ilsley Bank vs. Mullins Pine City Chrysler Dodge, LLC, et. al.*** Court File No. 58-CV-07-252. Chrysler auto dealership.
- ◆ ***Harmon AutoGlass Intellectual Property vs. Leiferman Enterprises, LLC, et. al.*** Court File No. 27-CV-06-16879. Auto glass replacement.
- ◆ ***U.S. Bank N.A. vs. Westling Manufacturing Co., et. al.*** Case No. 27-CV-05-18560. Rebuilder of alternators and starters primarily for the automotive aftermarket.
- ◆ ***Gilligan vs. Crystal Shamrock, Inc. and The First National Bank of Hudson*** Court File No. 24-CV-06-5693. Fixed Based Operator, aviation related services.
- ◆ ***Spire Federal Credit Union f/k/a Twin City Co-ops Federal Credit Union vs. Thumper Pond, Inc., et. al.*** Court File No. 56-CV-08-2208. Hotel, water park and golf resort.
- ◆ ***Associated Commercial Finance, Inc. vs. Rosemount Office Systems, LLC*** File No. 19HA-CV-08-158. Manufacture of office furniture systems.

- ◆ *Associated Bank N.A. vs. Meilmann Investments, LLC, et. al.* File No. 62-CV-07-2192. Indoor soccer sports complex.
- ◆ *American Express Travel Related Services Company, Inc. vs. Forest Lake Ford and John D. Berken.* US District Court Case No. 08-CV-00138. Personal assets.
- ◆ *Round Hill Recovery, LLC vs. RV Debt Portfolio I, LLC, et. al.* Case No. 27 CV 07-2462. Distressed credit card portfolios.
- ◆ *US Federal Credit Union vs. Stars & Strikes, LLC, et. al.* Court File No. 13-CV-07-158. Entertainment complex and banquet facility.
- ◆ *Washington County Bank, N.A. vs. River Falls Ace Hardware, Inc.* Case No. 06-CV-819. Hardware store.
- ◆ *Home Federal Bank vs. Syben Holdings, Inc.* File No. 27-CV-06-786. Employees benefit plans and payroll processing services.
- ◆ *Associated Bank, N.A. vs. Grand Ave Hardware Co., Inc., et. al.* File No. 62-C6-05-012012. Hardware store.
- ◆ *Associated Bank N.A. vs. Keenan's Cherryland, Ltd., et. al.* Case No. 2008-CV-821. Used car sales.
- ◆ *Associated Bank, N.A. vs. Saturn Transportation System, Inc.* Court File No. C3-05-9441. Trucking company.
- ◆ *McLauchlin vs. Armlin II and North* Court File No. 98-17025. Construction advisory services.
- ◆ *John R. Stuebner, Trustee vs. MAS Enterprises, LLC & Lucky Lucy's LLC et. al.* Court File Nos. 06-04462 and 07-04008. Hair salons.
- ◆ *American Bank of St. Paul vs. Blue Dragon Properties, et.al* Court File 24-CV-08-2733. Manage and operate motel.

PRE AND POST JUDGMENT RECEIVERSHIPS

- ◆ *American Bank of St. Paul vs Gregory J. Jaunich, et. al.* File No. 62-CV-08-2669.
- ◆ *Bottum vs. Jundt Associates, Inc., et. al.* Court File No. 27-CV-06-11210. Investment advisory firm.
- ◆ *American Express Travel Related Services Company, Inc. vs. John D. Berken.* US District Court Case No. 08-CV-00138.
- ◆ *Chicago Title Insurance Co. vs. Old Dominion Title Services, Inc. et. al.* Court File No. 04-1076. Appointed as receiver to take possession of defendant's assets, investigate undisclosed assets and to conduct a liquidation of such recovered assets.
- ◆ *Elliot & Callan, Inc. vs. Sandra Crofton Construction Company, et. al.* Court File 27-CV-06-8739. Trucking company.

◆ *SP Richards Company vs. Lerverne Stefan, et. al.* Court File CT 04-9036. Hardware store.

◆ *Center-Point Capital Partners, et.al vs. Minnesota Print Services, Inc., and Gerard F. Cellette, Jr.* Court File No. 27-CV-09-22590. Appointed as receiver to identify, take possession of, and liquidate defendant's assets.

REAL ESTATE RECEIVERSHIPS

◆ *Bank of the West vs. Sexton Lofts, LLC, et. al.* Case No. 27-CV-07-17067. Residential condominiums.

◆ *Wara Real Estate Co., K.S.C.C. vs. Wara Real Estate Incorporated et. al.* Court File No. MC 04-015307. Office condominiums and other real estate developments.

◆ *Highland Bank vs. Mendota Homes, Inc., et. al.* Court File No. 66-CV-08-2268. Residential condominiums.

◆ *AnchorBank, fsb vs. John T. Jensen, et. al.* Court File No. 27-CV-07-26906 and 27-CV-07-26907. Residential apartment buildings.

◆ *Associated Bank N.A. vs. Manning & Son, Inc., et. al.* File No. 62-CV-07-2192. Commercial real estate.

◆ *Associated Bank vs. Bartolomea J. Montanari, et. al.* Court File No. C6-07-3427. Commercial office building.

◆ *Associated Bank vs. Jerald Allan Morehouse* Court File No. 2003-20531. Commercial warehouse.

◆ *American Bank of St. Paul vs. MacAndrews Commons, LLC et. al.* File No. 19HA-CV-08-2388. Commercial and medical office buildings.

◆ *Anchor Bank fsb vs. Richard J. Lewandowski and Llainia J. Lewandowski* Court File Nos. C2-07-668; 55-CV-07584 and CV-07518. Town home developments.

◆ *Anchor Bank fsb vs. Samfel Investments, LLC* Court File No. 62-CV-08-12239 and 62-CV-08-30134. Residential apartment buildings.

◆ *Eagle Community Bank vs. Tyler J. Avestini, et. al.* Court File No. 27-CV-08-24127. Residential apartment buildings.

◆ *American Bank of St. Paul vs. Buona Fortuna, LLC, et. al.* Court File No. 19-HA-CV-09-3758. Retail and restaurant complex.

◆ *North Star Bank vs. Robert L. Keifer, et. al.* Court File No. 62-CV-09-4100. Medical office building.

◆ *American Bank of St. Paul vs. Peter H. Donavon, et. al.* Court File No. 62-CV-09-1175. Residential apartment building.

MARITAL DISSOLUTION RECEIVERSHIPS

- ◆ ***Gerring vs. Gerring*** Court File No. DC267709. Real and personal property.
- ◆ ***Brad Allen Shepard vs. Laurie Ann Shepard*** Court File 71-F2-01-000597. Lake home.
- ◆ ***Szarzynski vs. Szarzynski*** Court File No. DC 269566. Lake home in upper Minnesota.
- ◆ ***Bechtel vs. Bechtel*** File No. 27-FA-05-98. Asian restaurants.

BANKRUPTCY APPOINTMENTS

- ◆ ***ACRO Business Finance Corp*** (Asset Based Lender) Appointed by the bankruptcy court to manage the liquidation of its loan portfolio.
- ◆ ***Tricord Liquidating Trust*** (Manufacture of computer server applications) Appointed as Trustee to complete the liquidation pursuant to the terms of the Plan of Liquidation
- ◆ ***Underwater World at Mall of America*** (Aquarium attraction) Appointed by the bankruptcy court to manage and sell the property and to liquidate all other assets. Investigated and objected to claims and prosecuted all remaining causes of action.
- ◆ ***Ruhr/Paragon, Inc.*** (Advertising agency) Appointed by the bankruptcy court to liquidate all of the remaining assets, investigate and object to claims and to prosecute all remaining causes of action.
- ◆ ***Centran Corporation*** (Marketer of natural gas and related energy activities) Appointed by the bankruptcy court to liquidate all of the remaining assets, investigate and object to claims and to prosecute remaining causes of action. Litigated 105 preference actions resulting in an increased recovery to unsecured creditors from approximately 20% to 50%.
- ◆ ***Tom DuFresne*** (Developer of various strip malls and office properties) Appointed by the bankruptcy court to liquidate all remaining assets.
- ◆ ***Dr. Harry A. Johnson, Jr.*** (Full service hotel operator and real estate developer) Chief Financial Officer during the two year chapter 11 bankruptcy and appointed by the bankruptcy court to administer the case post confirmation as well as pursue certain assets of the bankrupt estate.
- ◆ ***Mid-City Hotel Associates, Ltd.*** (owner of a 250 room full service hotel) Chief Financial Officer during the two year chapter 11 bankruptcy and appointed by the bankruptcy court to act as disbursing agent with the authority to sell the hotel and to pursue claims against a general partner.

INTERIM MANAGEMENT AND ADVISORY ENGAGEMENTS

- ◆ **Opus Corporation, Opus LLC and Opus Northwest, LLC** (commercial real estate development and construction) – on the board of directors of each of these entities for the purpose of leading the companies through out of court liquidation and wind down.
- ◆ ***Wilsons The Leather Experts, Inc.*** (Retail of leather apparel and accessories) Engaged as CEO to operate the Company through the sale of its Outlet operations and wind down and liquidation of the remaining locations.
- ◆ **MW Johnson Construction, Inc.** (Residential home builder) Engaged to represent the Company in its Chapter 11 filing and to negotiate the plan of liquidation with its creditors.

- ◆ **Seasonal Concepts, Inc.** (Retailer of outdoor and casual home furnishings) Engaged to assist management in the sale of its operations both prior to a Chapter 11 and in the Chapter 11.
- ◆ **W. E. Lahr Co.** (Distributor and retailer of auto parts) Engaged as CEO, just prior to the owner's death, to manage the Company through a sale. Previously, we were engaged to negotiate the purchase of Champion Auto Stores, Inc. which was in a chapter 11, as well as a second auto parts distributor in a different chapter 11 filing. Subsequently served on the Board of Directors.
- ◆ **Laser Machining, Inc.** (Integrator of Industrial laser machines and Contract Manufacturer) Engaged as President and COO to transition the company from technology driven to market driven and through its subsequent sale.
- ◆ **Pallet Recycling Associates of North America** (Recycler of wood pallets operating through 15 subsidiaries in 23 states) Engaged as President and CFO to provide crisis management services after the Company's failed IPO. We negotiated the sales of all the subsidiaries.
- ◆ **Pace Incorporated** (Environmental testing laboratories operating in 17 states) Engaged as CEO to provide crisis management services. We negotiated the sale of twelve laboratories to three separate buyers and liquidated the remaining units.
- ◆ **PC Express, Inc.** (Manufacturer and retailer of microcomputers) Advised the Company and its publicly held parent corporation in this out-of-court liquidation.
- ◆ **Solutronix Corporation** (Computer repair services) Provided crisis management services and assisted the owners in the sale of the company.
- ◆ **LCB Enterprises, Inc.** (Marketer of sterling silver jewelry through direct mail) Developed a plan for an out-of-court restructuring of the company's unsecured debt.
- ◆ **Northgate Computer Systems, Inc.** (Manufacturer of microcomputers) Engaged as Chief Financial Officer to provide crisis management services during the sale of the majority control of the company to an investor group. Participated in the negotiations with the buyers, secured creditors, vendors, the landlord and employees needed to complete the sale.
- ◆ **Consul Corporation** (Restaurant Company and the largest franchisee of Chi-Chi's Mexican restaurants) Represented Consul in its chapter 11 proceeding including the negotiations with its bondholders and unsecured creditors.
- ◆ **Context, Ltd.** (Contract carpet sales) Negotiated with the secured lender to allow the principal to acquire a portion of the business.
- ◆ **Eiler Company/Lake Industries** (Distributor of industrial plastic products and manufacturer of springs) Represented Eiler in the sale and liquidation of the companies to an unrelated third party. After the sale acted as a trustee for the benefit of the unsecured creditors in the liquidation of the remaining assets and distribution to its creditors.
- ◆ **Aslesen Company** (Food service and restaurant supply distributor) Liquidated the company in an out-of-court negotiated settlement with creditors.

OUT OF COURT LIQUIDATION EXPERIENCE

- ◆ **Blackwell Igbanugo, P.A. –** (Law Firm) Engaged to advise management in the dissolution of the law firm and the liquidation of its assets.
- ◆ **Paragon Constructors** (Waterproofing services for parking ramps) Engaged by the company to advise management in the sale and the liquidation of its assets on an out-of-court basis in cooperation with its secured creditor.

- ◆ **Shari Candies** (Candy distributor) Engaged by the company to advise management in the sale and the liquidation of its assets on an out-of-court basis in cooperation with its secured creditor.
- ◆ **Entolo, Inc.** (Retail fixtures and trade show booth manufacturer) Engaged by the company to advise management in the liquidation of its assets on an out-of-court basis in cooperation with its secured creditor.
- ◆ **Food Engineering Corporation, Jacobson LLC & Vendtronics** (Manufacturer of material handling equipment, industrial grinders and vending machines) Engaged by the company to advise management in the sale and liquidation of its assets on an out-of-court basis in cooperation with its secured creditor.
- ◆ **Precision Diversified Industries, LLC** (Manufacturer of printed circuit boards and test fixtures) Engaged by the company to negotiate a sale of its operations and to liquidate its remaining assets.
- ◆ **Foreman and Clark of Minnesota** (Retailer of men's apparel) Engaged by the company to advise management in the liquidation of the company on an out-of-court basis.
- ◆ **Carefree Leasing, Inc.** (Auto leasing service for credit unions) Engaged by the company to advise management in the liquidation of the company on an out-of-court basis.
- ◆ **U. S. Metric, Inc.** (Remanufacture of automotive alternators and starters) Engaged by the company and creditors to liquidate remaining assets of the corporation on an out-of-court basis.
- ◆ **Boyd Houser Vend Distributing, Inc.** (Wholesaler of vending machine products) Engaged by the company and creditors to liquidate remaining assets of the corporation on an out-of-court basis.
- ◆ **Kokesh Athletic and Golf Supply, Inc.** (Retailer of athletic goods) Appointed by the bankruptcy court to liquidate all of the remaining assets, investigate and object to claims and to prosecute all remaining causes of action.
- ◆ **Retail Holdings Group, Inc.** (Retailer of women's apparel) Appointed by the bankruptcy court primarily to disburse funds in the estate to unsecured creditors.
- ◆ **Cardtronic Technology, Inc.** (Software and systems for real time processing of health benefits at the point of care through the use of a smart card and connection through the internet) Sale of intellectual property (patent pending, software source code and processing system and know how) through distribution of an Offering Memorandum.
- ◆ **Zuel Company, Inc.** (Anti glare coating on flat glass) Conducted a UCC foreclosure sale of the company's intellectual property including their patents. The sale was accomplished through a private auction for qualified bidders.
- ◆ **Four D, Inc.** (Shopping cart child carrier, infant changing tables and diaper sanitary pad dispensers combined in a portable unit) Sold the intellectual property (patents and trademarks) through distribution of an Offer Memorandum.
- ◆ **Advance Tool, Inc.** (Tool & Die Maker) Advised management in liquidation of assets.
- ◆ **Medieval Glass, Inc..** (Manufacturer of stained glass windows and door inserts) Retained by secured creditor to liquidate assets.

EXHIBIT C

Most Recently Filed Post-Petition Operating Report of Petters Aviation, LLC

Exhibit C

Case Name: Petters Aviation, LLC
 Case Number: 08-45136-RJK

1 Debtor in Possession (or Trustee) hereby submits this Summary of Financial Status. Dollars reported in (\$1).

2 Asset Structure	End of Current Month	End of Prior Month	As of Petition Filing
a. Current Assets (Market Value)	\$ 24,775,953	\$ 24,884,304	\$ 24,670,135
b. Total Assets (Market Value)	\$ 24,805,320	\$ 24,913,671	\$ 32,809,633
c. Current Liabilities	\$ 1,868,255	\$ 1,868,255	\$ -
d. Total Liabilities	\$ 36,767,834	\$ 36,767,834	\$ 41,947,130

3 Statement of Cash Receipts and Disbursements for Month	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$ 136	\$ 180,149	\$ 2,332,162
b. Total Disbursements	\$ 108,487	\$ 96,329	\$ 2,228,716
c. Excess (Deficiency) of Receipts over Disbursements (a - b)	\$ (108,352)	\$ 83,820	\$ 103,446
d. Cash Balance Beginning of Month	\$ 384,304	\$ 300,484	\$ 172,508
e. Cash Balance End of Month (c + d)	\$ 275,953	\$ 384,304	\$ 275,953

	Current Month	Prior Month	Cumulative (Case to Date)
4 Profit/(Loss) from Statement of Operations	\$ (108,352)	\$ (66,180)	\$ (1,318,121)
5 Account Receivables (Pre and Post Petition)	\$ 15,000,000	\$ 15,000,000	
6 Post Petition Liabilities	\$ 1,868,255	\$ 1,868,255	
7 Past Due Post Petition Accounts Payable (over 30 Days)	\$ -	\$ -	

At the End of this reporting Month:

	Yes	No
8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment, and payee.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Have any payments been made to professionals? If yes, attach listing including date of payment, amount of payment, and name of payee).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 If the answer is yes to 8 or 9, were all such payments approved by the court?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12 Is the estate insured for replacement cost of assets and for general liability?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Are a plan and disclosure statement on file?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 Was there any post-petition borrowing during this period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Check if paid: Post-petition taxes <input checked="" type="checkbox"/> ; US Trustee Quarterly Fee <input checked="" type="checkbox"/> ; Check if filing is current for Post-petition tax reporting and tax returns <input checked="" type="checkbox"/> . (attach explanation, if post-petition taxes or US Trustee Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

I declare under penalty of perjury that I have reviewed the above summary and attached pages (if applicable), and after making reasonable inquiry believe these documents are correct.

Date: August 15, 2010


 Responsible Individual

Case Name: Petters Aviation,
 Case Number: 08-45136-RJK
 Comparative Balance Sheet

	Filing Date	Month 1 of Quarter
Assets		
1 Cash	\$ 170,135	\$ 275,953
2 Accounts Receivable	\$ 15,000,000	\$ 15,000,000
3 Inventory	\$ -	
4 Notes Receivable	\$ 9,500,000	\$ 9,500,000
5 Pre-Paid Expenses	\$ -	
6 Other	\$ -	
7 Total Current Assets	\$ 24,670,135	\$ 24,775,953
Property, Plant & Equipment		
8 Property, Plant & Equipment	\$ 8,139,498	\$ 29,367
9 Less: Accumulated Depreciation	\$ -	\$ -
10 Total Property, Plant & Equipment	\$ 8,139,498	\$ 29,367
Other Assets		
11		
12		
13		
14 Total Other Assets	\$ -	\$ -
15 Total Assets	\$ 32,809,633	\$ 24,805,320
Liabilities		
17 Accounts Payable		
18 Accrued Professional Fees		
19 Notes Payable (Elite Landings)		\$ 1,868,255
20 Taxes Payable		
21 Other: (list)		
22 Total Post-Petition Debt	\$ -	\$ 1,868,255
Pre-Petition Liabilities		
23 Secured Debt	\$ 7,350,288	\$ 290,157
24 Priority Debt		
25 Unsecured Debt	\$ 34,596,842	\$ 34,609,422
26 Other Debt (List)		
27 Total Pre-Petition Debt	\$ 41,947,130	\$ 34,899,579
28 Total Liabilities	\$ 41,947,130	\$ 36,767,834
Equity		
29 Owner's/Stockholders' Equity	\$ (9,137,497)	\$ (10,259,210)
30 Retained Earnings (Pre-Petition)		
31 Retained Earnings (Post-Petition)	\$ -	\$ (1,703,305)
32 Total Equity	\$ (9,137,497)	\$ (11,962,514)
33 Total Liabilities & Equity	\$ 32,809,633	\$ 24,805,320

- -

Case Name:
Case Number:
Profit and Loss Statement

Petters Aviation, LLC
08-45136-RJK

	Month 1 of Quarter	Quarter Total
1 Gross Revenue	\$ -	\$ -
2 Less: Returns & Discounts	\$ -	\$ -
3 Net Revenue	\$ -	\$ -
Cost of Goods Sold		
4 Materials		\$ -
5 Direct Labor		\$ -
6 Direct Overhead		\$ -
7 Total Cost of Goods Sold	\$ -	\$ -
8 Gross Profit	\$ -	\$ -
Operating Expenses		
9 Officer / Insider Comp	\$ 14,583	\$ 14,583
10 Selling and Marketing		\$ -
11 General and Administrative	\$ 132	\$ 132
12 Rent and Lease		\$ -
13 Other (list)		\$ -
14 Total Operating Expenses	\$ 14,716	\$ 14,716
15 Income Before Non-Operating Income and Expenses	\$ (14,716)	\$ (14,716)
Other Income and Expenses		
16 Non-Operating Income (List)		\$ -
17 Non-Operating Expenses (List)		\$ -
18 Interest Expense & fees, Net	\$ (95)	\$ (95)
19 Depreciation Expense		\$ -
20 Amortization Expense		\$ -
21 Proceeds from sale of Assets		\$ -
Reorganization Expenses		
22 Professional Fees	\$ 93,731	\$ 93,731
23 US Trustee Quarterly Fees	\$ -	\$ -
24 Other Reorganization Costs		\$ -
25 Total Reorganization Costs	\$ 93,731	\$ 93,731
26 Income Tax		
27 Net Profit	\$ (108,352)	\$ (108,352)

Case Name:	Petters Aviation, LLC		
Case Number:	08-45136-RJK		
Cash Receipts and Disbursements			
		Month 1	Cumulative
		of Quarter	Total
1	Cash-Beginning of Month	\$ 384,304	\$ 384,304
	Receipts from Operations		
2	Cash Sales		\$ -
3	Less: Cash Refunds		\$ -
4	Net Cash Sales	\$ -	\$ -
	Collections of Accounts Receivables		
5	Pre-Petition		\$ -
6	Post-Petition		\$ -
7	Other		\$ -
8	Total Operating Receipts (Lines 4+5+6+7)	\$ -	\$ -
	Non-Operating Receipts		
9	Loans / Advances	\$ -	\$ -
10	Sale of Assets		\$ -
11	Other (Interest Earned)	\$ 136	\$ 136
12	Total Non-Operating Receipts (Lines 9+10+11)	\$ 136	\$ 136
13	Total Receipts (Lines 8+12)	\$ 136	\$ 136
14	Total Cash Available (Lines 13+1)	\$ 384,440	\$ 384,440
	Case Name: Petters Aviation, LLC		
	Case Number: 08-45136-RJK		
	Operating Disbursements		
15	Net Payroll	\$ 14,716	\$ 14,716
16	Payroll Taxes-Paid		\$ -
17	Sales, Use and Other Taxes Paid		\$ -
18	Secured / Rental / Leases		\$ -
19	Utilities		\$ -
20	Insurance		\$ -
21	Inventory Purchases		\$ -
22	Vehicle Expense		\$ -
23	Travel		\$ -
24	Entertainment		\$ -
25	Repairs and Maintenance	\$ -	\$ -
26	Supplies		\$ -
27	Advertising		\$ -
28	Other: True-up of 2009 employee benefits	\$ -	\$ -
29	Other (bank fees):	\$ 41	\$ 41
30	Other (pmt of US Trustee Fee for Elite Landings):	\$ -	\$ -
31	Total Operating Disbursements	\$ 14,756	\$ 14,756
	Reorganizational Expenses		
32	Professional Fees	\$ 93,731	\$ 93,731
33	US Trustee Quarterly Fees	\$ -	\$ -
34	Other		\$ -
35	Other		\$ -
36	Total Reorganizational Expenses	\$ 93,731	\$ 93,731
37	Total Disbursements (Lines 31+36)	\$ 108,487	\$ 108,487
38	Cash-End of Month	\$ 275,953	\$ 275,953

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Itemization of Cash Receipts

Date Received	Payer	Description	Amount
31-Jul	Alliance Bank	Interest Earnings	135.83

Case Name: Petters Aviation, LLC
 Case Number: 08-45136-RJK

Itemization of Cash Disbursements

Date Paid	Payee	Description	Check Number	Amount
2-Jul	Vince Fusco - Invoiced hours, June		9999	\$ 4,000.00
8-Jul	Leonard Street and Deinard - Creditor Committee Fees		9999	\$ 17,698.00
9-Jul	ADP Payroll Fees			\$ 66.04
14-Jul	ADP - Payroll			\$ 6,822.51
14-Jul	Wire charge			\$ 10.00
23-Jul	ADP Payroll Fees			\$ 66.04
28-Jul	Vedder Price - Legal Fees		9999	\$ 5,416.56
28-Jul	Vince Fusco - July Hours		9999	\$ 3,000.00
28-Jul	Leonard Street and Deinard - Creditor Committee Fees		9999	\$ 9,471.60
28-Jul	Moss and Barnett - Legal Fees		9999	\$ 18,144.81
28-Jul	Harrow and Associates (Sun Country Bill)		9999	\$ 36,000.00
28-Jul	ADP - Payroll			\$ 7,760.93
28-Jul	Wire charge			\$ 10.00
31-Jul	Crown Bank	Bank Service Fee		\$ 19.99
31-Jul	MinnWest Bank	Bank Service Fee		\$ 0.92

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Aging Schedule of Post-Petition Payables

	Current				
Accounts Payable:	0-30	31-60	61-90	90 & Over	
Vendor	Days	Days	Days	Days	Totals

Month **July, 2010**

None

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Payments to insiders

<u>Date</u>	<u>Payee(s)</u>	<u>Reason</u>	<u>Amount</u>
14-Jul	Salmen	Payroll	\$ 6,822.51
28-Jul	Salmen	Payroll	\$ 7,760.93

Case Name: Petters Aviation, LLC
Case Number: 08-45136-RJK

Payments to professionals

<u>Date</u>	<u>Payee(s)</u>	<u>Reason</u>	<u>Amount</u>
2-Jul	Vince Fusco	Financial Consulting	\$ 4,000.00
8-Jul	Leonard Street and Deinard	Creditor Committee Fees	\$ 17,698.00
28-Jul	Vedder Price	Legal Fees	\$ 5,416.56
28-Jul	Vince Fusco	Financial Consulting	\$ 3,000.00
28-Jul	Leonard Street and Deinard	Creditor Committee Fees	\$ 9,471.60
28-Jul	Moss and Barnett - Legal Fees	Legal Fees	\$ 18,144.81
28-Jul	Harrow and Associates	Creditor Committee Fees	\$ 36,000.00

Case Name: Petters Aviation, LLC
 Case Number: 08-45136-RJK

Bank Reconciliation
Month:

July, 2010

	Bank Account-Purpose:	General	Crown	Crown CD	MinnWest	SW Proceeds	EQ Proceeds	Total
	Bank Account Number:	xxxx84	xxxx25	xxxx18	xxxx50	xxxx36	xxxx84	
1	Balance Per Bank Statement	\$ 107,021	\$ 100	\$ -	\$ 7,109	\$ 183,756	\$ 50,000	\$ 347,986
2	Add: Total Deposits Not Credited	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
3	Add: Service Charges	\$ -	\$ -	\$ -	\$ -			\$ -
4	Subtract: Outstanding Checks	\$ (72,033)	\$ -	\$ -	\$ -			\$ (72,033)
5	Subtract: Interest Earned	\$ -	\$ -	\$ -	\$ -			\$ -
6	End of Month Bank Balance (Per Books)	\$ 34,988	\$ 100	\$ -	\$ 7,109	\$ 183,756	\$ 50,000	\$ 275,953

Investment Accounts					
	Account Name & Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value
7					
8					
9					
10					
11	Total	\$ -	\$ -	\$ -	\$ -

Case Name: Petters Aviation, LLC
 United States Bankruptcy Court District of Minnesota
 Case Number: 08-45136-RJK
 Month: July, 2010

1 Taxes:
 Are all post-petition payroll, state and federal taxes current?
 Yes
 Are all post-petition income taxes, state and federal current?
 Yes
 Are all other post-petition taxes current?
 Yes
 If the answer to any of the above questions is no, please list the balances which are outstanding on the schedule of post-petition taxes payable.

2 Insurance:
 Are workers' compensation, general liability and other necessary insurance in effect?
 Yes
 Are all premium payments current?
 Yes

PLEASE ITEMIZE ALL POLICIES:

Type of Policy	Carrier	Expiration Date	Installment Payment Ammount	Period Covered	Paid Through
A. Airplane General Liability	Priester Aviation	11/1/2010	\$ 19,000	through Oct, 2010	10/31/2010

3 Have any payments been made to pre-petition creditors?
 Secured No
 Priority No
 Unsecured No

4 Have any assets been sold outside the normal course of business?
 No

5 Have all funds been deposited in and disbursed from the chapter 11 debtor bank accounts?
 Yes

6 Are all post-petition accounts receivable due from non-related parties?
 Yes

7 What specific efforts have been made in the past month toward the development of a Plan of Reorganization?
 We continue to work with the our bankruptcy counsel towards the formulation of a plan.

Vince Fusco

Name of attorney: Moss and Barnett, PA
 Address: 4800 Wells Fargo Center
 90 South Seventh Street
 City, State, Zip: Minneapolis, MN 55402-4129
 Telephone: (612) 877-5000

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING COMPLETE MONTHLY OPERATING REPORT (MOR), CONSISTING OF MOR-1 THROUGH MOR-11, PLUS AL ATTACHMENTS ARE TRUE AND CORRECT

Signed: 

Title: Director of Finance
 Date: 8/15/10

EXHIBIT D

Most Recently Filed Post-Petition Operating Report of Elite Landings, LLC

5537128v1

Exhibit D

Case Name: Elite Landings, LLC
 Case Number: 08-45210-RJK

1 Debtor in Possession (or Trustee) hereby submits this Summary of Financial Status. Dollars reported in (\$1).

2 Asset Structure	End of Current Month	End of Prior Month	As of Petition Filing
a. Current Assets (Market Value)	\$ 12,642,686	\$ 12,637,268	\$ 12,500,000
b. Total Assets (Market Value)	\$ 12,642,686	\$ 12,637,268	\$ 12,500,000
c. Current Liabilities	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
d. Total Liabilities	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000

3 Statement of Cash Receipts and Disbursements for Month	Current Month	Prior Month	Cumulative (Case to Date)
a. Total Receipts	\$ 5,418	\$ 6,067	\$ 1,314,168
b. Total Disbursements	\$ -	\$ 150,000	\$ 3,033,237
c. Excess (Deficiency) of Receipts over Disbursements (a - b)	\$ 5,418	\$ (143,933)	\$ (1,719,069)
d. Cash Balance Beginning of Month	\$ 7,775,513	\$ 7,919,445	\$ 9,500,000
e. Cash Balance End of Month (c + d)	\$ 7,780,931	\$ 7,775,513	\$ 7,780,931

	Current Month	Prior Month	Cumulative (Case to Date)
4 Profit/(Loss) from Statement of Operations	\$ 5,418	\$ 6,067	\$ 142,686
5 Account Receivables (Pre and Post Petition)	\$ 3,000,000	\$ 3,000,000	
6 Post Petition Liabilities	\$ -	\$ -	
7 Past Due Post Petition Accounts Payable (over 30 Days)	\$ -	\$ -	

At the End of this reporting Month:

	Yes	No
8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment, and payee.		X
9 Have any payments been made to professionals? If yes, attach listing including date of payment, amount of payment, and name of payee).		X
10 If the answer is yes to 8 or 9, were all such payments approved by the court?	N/A	
11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee).		X
12 Is the estate insured for replacement cost of assets and for general liability?	N/A	
13 Are a plan and disclosure statement on file?		X
14 Was there any post-petition borrowing during this period?		X
15 Check if paid: Post-petition taxes <u>X</u> ; US Trustee Quarterly Fee <u>X</u> ; Check if filing is current for Post-petition tax reporting and tax returns <u>X</u> . (attach explanation, if post-petition taxes or US Trustee Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)		

I declare under penalty of perjury that I have reviewed the above summary and attached pages (if applicable), and after making reasonable inquiry believe these documents are correct.

Date: August 15, 2010


 Responsible Individual

Case Name:		Elite Landings, LLC	
Case Number:		08-45210-RJK	
Comparative Balance Sheet			
		Filing Date	Month 1 of Quarter
Assets			
1	Cash	\$ 9,500,000	\$ 7,780,931
2	Accounts Receivable	\$ 3,000,000	\$ 3,000,000
3	Inventory	\$ -	
4	Notes Receivable	\$ -	\$ 1,861,755
5	Pre-Paid Expenses	\$ -	
6	Other	\$ -	
7	Total Current Assets	\$ 12,500,000	\$ 12,642,686
8	Property, Plant & Equipment	\$ -	
9	Less: Accumulated Depreciation	\$ -	
10	Total Property, Plant & Equipment	\$ -	\$ -
Other Assets			
11			
12			
13			
14	Total Other Assets	\$ -	\$ -
15	Total Assets	\$ 12,500,000	\$ 12,642,686
17	Accounts Payable		
18	Accrued Professional Fees		
19	Notes Payable		
20	Taxes Payable		
21	Other (List)		
22	Total Post-Petition Debt	\$ -	\$ -
Pre-Petition Liabilities			
23	Secured Debt		
24	Priority Debt		
25	Unsecured Debt	\$ 12,000,000	\$ 12,000,000
26	Other Debt (List)		
27	Total Pre-Petition Debt	\$ 12,000,000	\$ 12,000,000
28	Total Liabilities	\$ 12,000,000	\$ 12,000,000
Equity			
29	Owner's/Stockholders' Equity	\$ 500,000	\$ 500,000
30	Retained Earnings (Pre-Petition)		
31	Retained Earnings (Post-Petition)	\$ -	\$ 142,686
32	Total Equity	\$ 500,000	\$ 642,686
33	Total Liabilities & Equity	\$ 12,500,000	\$ 12,642,686

Case Name:	Elite Landings, LLC		
Case Number:	08-45210-RJK		
Profit and Loss Statement	Month 1	Quarter	
	of Quarter	Total	
1 Gross Revenue	\$ -	\$ -	-
2 Less: Returns & Discounts	\$ -	\$ -	-
3 Net Revenue	\$ -	\$ -	-
Cost of Goods Sold			
4 Materials		\$ -	-
5 Direct Labor		\$ -	-
6 Direct Overhead		\$ -	-
7 Total Cost of Goods Sold	\$ -	\$ -	-
8 Gross Profit	\$ -	\$ -	-
Operating Expenses			
9 Officer / Insider Comp		\$ -	-
10 Selling and Marketing		\$ -	-
11 General and Administrative		\$ -	-
12 Rent and Lease		\$ -	-
13 Other (List)		\$ -	-
14 Total Operating Expenses	\$ -	\$ -	-
15 Income Before Non-Operating Income and Expenses	\$ -	\$ -	-
Other Income and Expenses			
16 Non-Operating Income (List)		\$ -	-
17 Non-Operating Expenses (List)		\$ -	-
18 Interest Expense	\$ (5,418)	\$ (5,418)	
19 Depreciation Expense		\$ -	-
20 Amortization Expense		\$ -	-
21 Other Gain / Loss (List)		\$ -	-
Reorganization Expenses			
22 Professional Fees	\$ -	\$ -	-
23 US Trustee Quarterly Fees	\$ -	\$ -	-
24 Other Reorganization Costs			
25 Total Reorganization Costs	\$ -	\$ -	-
26 Income Tax	\$ -		
27 Net Profit	\$ 5,418	\$ 5,418	

Case Name: Elite Landings, LLC
 Case Number: 08-45210-RJK
 Cash Receipts and Disbursements

	Month 1 of Quarter	Cumulative Total
1 Cash-Beginning of Month	\$ 7,775,513	\$ 7,775,513
Receipts from Operations		
2 Cash Sales		\$ -
3 Less: Cash Refunds		\$ -
4 Net Cash Sales	\$ -	\$ -
Collections of Accounts Receivables		
5 Pre-Petition		\$ -
6 Post-Petition		\$ -
7 Other		\$ -
8 Total Operating Receipts (Lines 4+5+6+7)	\$ -	\$ -
Non-Operating Receipts		
9 Loans / Advances		\$ -
10 Sale of Assets		\$ -
11 Other: Interest Earnings	\$ 5,418	\$ 16,700
12 Total Non-Operating Receipts (Lines 9+10+11)	\$ 5,418	\$ 16,700
13 Total Receipts (Lines 8+12)	\$ 5,418	\$ 16,700
14 Total Cash Available (Lines 13+1)	\$ 7,780,931	\$ 7,792,213
Case Name: Elite Landings, LLC		
Case Number: 08-45210-RJK		
Operating Disbursements		
15 Net Payroll		\$ -
16 Payroll Taxes-Paid		\$ -
17 Sales, Use and Other Taxes Paid		\$ -
18 Secured / Rental / Leases		\$ -
19 Utilities		\$ -
20 Insurance		\$ -
21 Inventory Purchases		\$ -
22 Vehicle Expense		\$ -
23 Travel		\$ -
24 Entertainment		\$ -
25 Repairs and Maintenance		\$ -
26 Supplies		\$ -
27 Advertising		\$ -
28 Other (Loan to Petters Aviation):		\$ -
29 Other (bank fees):	\$ -	\$ -
30 Other (DIP Loan to Sun Country):		\$ -
31 Total Operating Disbursements	\$ -	\$ -
Reorganizational Expenses		
32 Professional Fees	\$ -	\$ -
33 US Trustee Quarterly Fees		\$ -
34 Other		\$ -
35 Other		\$ -
36 Total Reorganizational Expenses	\$ -	\$ -
37 Total Disbursements (Lines 31+36)	\$ -	\$ -
38 Cash-End of Month	\$ 7,780,931	\$ 7,792,213

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Itemization of Cash Receipts

Date Received	Payer	Description	Amount
31-Jul	Alliance Bank	Interest Income	\$ 5,418

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Itemization of Cash Disbursements

<u>Date</u> <u>Paid</u>	<u>Payee</u>	<u>Description</u>	<u>Check</u> <u>Number</u>	<u>Amount</u>
31-Jul	None			

Case Name: Elite Landings, LLC
Case Number: 08-45210-RJK

Aging Schedule of Post-Petition Payables

	Current				
Accounts Payable:	0-30	31-60	61-90	90 & Over	
Vendor	Days	Days	Days	Days	Totals

Month **July**

 None

Case Name: Elite Landings, LLC
 Case Number: 08-45210-RJK

Bank Reconciliation

Month: July, 2010

	Bank Account-Purpose:	General	Crown	Savings	Total
	Bank Account Number:	xxxx76	xxxx99	xxxx98	
1	Balance Per Bank Statement	19,686.66	\$	- \$	7,761,244 \$ 7,780,931
2	Add: Total Deposits Not Credited	\$	- \$	-	\$ -
3	Add: Service Charges	\$	- \$	-	\$ -
4	Subtract: Outstanding Checks	\$	- \$	-	\$ -
5	Subtract: Interest Earned	\$	- \$	-	\$ -
6	End of Month Bank Balance (Per Books)	\$ 19,687	\$	- \$	7,761,244 \$ 7,780,931

Investment Accounts					
	Account Name & Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value
7					
8					
9					
10					
11	Total	\$	- \$	- \$	- \$ -

Case Name: Elite Landings, LLC
 United States Bankruptcy Court District of Minnesota
 Case Number: 08-45210-RJK
 Month: July, 2010

1 Taxes:
 Are all post-petition payroll, state and federal taxes current?
 Yes
 Are all post-petition income taxes, state and federal current?
 Yes
 Are all other post-petition taxes current?
 Yes
 If the answer to any of the above questions is no, please list the balances which are outstanding on the schedule of post-petition taxes payable.

2 Insurance:
 Are workers' compensation, general liability and other necessary insurance in effect?
 Yes
 Are all premium payments current?
 Yes

PLEASE ITEMIZE ALL POLICIES:

Type of Policy	Carrier	Expiration Date	Installment Payment Ammount	Period Covered	Paid Through
A. NONE					
B.					

3 Have any payments been made to pre-petition creditors?
 Secured No
 Priority No
 Unsecured No

4 Have any assets been sold outside the normal course of business?
 No

5 Have all funds been deposited in and disbursed from the chapter 11 debtor bank accounts?
 Yes

6 Are all post-petition accounts receivable due from non-related parties?
 Yes

7 What specific efforts have been made in the past month toward the development of a Plan of Reorganization?
 We continue to work with our bankruptcy counsel towards the formulation of a plan.

Vince Fusco

Name of attorney: Moss and Barnett, PA
 Address: 4800 Wells Fargo Center
 90 South Seventh Street
 City, State, Zip: Minneapolis, MN 55402-4129
 Telephone: (612) 877-5000

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING COMPLETE MONTHLY OPERATING REPORT (MOR), CONSISTING OF MOR-1 THROUGH MOR-11, PLUS ALL ATTACHMENTS ARE TRUE AND CORRECT.

Signed: 

Title: Director of Finance

Date: 8/15/10