

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

**Chapter 11
Case No. 12-51502-659
(Jointly Administered)**

**Hearing set: March 19, 2013
RE: Docket #2955**

**ORDER AUTHORIZING PATRIOT COAL CORPORATION TO TERMINATE ITS
NONQUALIFIED DEFERRED COMPENSATION PLAN AND THE RELATED SERVICE
AGREEMENT PURSUANT TO SECTIONS 363(b)(1) AND 503(b)(1)(A)
OF THE BANKRUPTCY CODE**

Upon the motion (the “**Motion**”)¹ of Patriot Coal Corporation (“**Patriot**”) for entry of an order (this “**Order**”) authorizing, but not directing, Patriot to terminate the Plan and the Service Agreement; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these Chapter 11 cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of Patriot and the other Plan Debtors, their estates, their creditors and other parties in interest; and the Court having determined that the termination of the Plan and the Service Agreement constitutes an exercise of sound business judgment made in good faith by Patriot; and it appearing that proper and adequate notice of the Motion has been given and that, except as otherwise ordered herein, no other or further notice is necessary; and after due deliberation thereon; and there being no

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

objection to the Motion by any party; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Termination and liquidation of the Plan and termination of the Service Agreement are sound exercises of Patriot's business judgment under Section 363(b)(1) of the Bankruptcy Code.
3. Patriot is hereby authorized, but not directed, to exercise its contractual rights to terminate and liquidate the Plan, effective as of March 31, 2013, and to terminate the Service Agreement, as described in the Motion, and to take all actions necessary to implement the relief granted herein.
4. Any Participant that has a valid claim for pre-petition compensation deferrals shall be a creditor with respect to such pre-petition compensation deferrals solely against his/her respective Plan Debtor, and such claims shall be subject to the caps set forth in Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code to the extent applicable.
5. Amounts credited to the Plan for the post-petition period (as adjusted to reflect gains or losses thereon through termination of the Plan on March 31, 2013) constitute administrative expenses of the applicable Plan Debtors and shall be paid to Participants pursuant to Section 503(b)(1)(A) of the Bankruptcy Code and the Wages Order by their respective Plan Debtors.
6. The requirements set forth in Rules 9013-1(A) and 9013-3(E) of the Local Rules

of the Bankruptcy Court for the Eastern District of Missouri are satisfied.

7. The requirements set forth in Bankruptcy Rule 6004(a), to the extent applicable, are satisfied.

8. This Order shall be immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h).


KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

DATED: March 15, 2013
St. Louis, Missouri
jjh

Order prepared by:
Marshall S. Huebner
Damian S. Schaible
Brian M. Resnick
Michelle M. McGreal
DAVIS POLK & WARDWELL LLP
450 Lexington Avenue
New York, New York 10017