

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re : Chapter 11 Case Nos.  
PAN AM CORPORATION et al., : 91 B 10080 (CB)  
 : through  
Debtors. : 91 B 10087 (CB)  
 :  
 :  
-----X

DEBTORS' VERIFIED MOTION FOR ENTRY OF AN ORDER  
PURSUANT TO SECTIONS 105(a), 363 AND 554(a)  
OF THE BANKRUPTCY CODE AUTHORIZING DEBTORS TO ABANDON  
CERTAIN UNNECESSARY AND BURDENSOME RECORDS BELONGING  
TO THE ESTATES AND APPROVING THE ESTABLISHMENT  
OF A PROCEDURE TO SELECT SUCH RECORDS FOR ABANDONMENT

TO THE HONORABLE CORNELIUS BLACKSHEAR,  
UNITED STATES BANKRUPTCY COURT JUDGE:

Pan Am Corporation, et al., debtors and debtors in possession (collectively, "Debtors") in the above captioned cases, respectfully state and represent as follows:

1. On January 8, 1991 (the "Petition Date"), each of the Debtors filed its respective petition for relief under section 301, chapter 11, title 11 of the United States Code (the "Bankruptcy Code"). On January 8, 1991, this Court signed an order granting Debtors' motion for joint administration of these cases and for consolidation of these cases for procedural purposes only.

2. No request for appointment of a trustee or examiner has been made to the Court. An Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed pursuant to section 1102 of the Bankruptcy Code on January 22, 1991, and an Official Committee of Retirees (the "Retirees' Committee") was

appointed pursuant to section 1114 of the Bankruptcy Code on August 12, 1991. An unofficial ad hoc committee of administrative and priority creditors (the "Ad Hoc Committee") was formed in November 1991. On January 9, 1992, this Court approved the appointment of Peter McHugh as Chief Executive Officer and Responsible Person.

3. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Judges (July 10, 1984) (Ward, Acting C.J.). Venue of the Debtors' chapter 11 cases and this motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

#### NATURE OF THE PROCEEDING

4. This motion seeks authorization from the Court pursuant to 11 U.S.C. §§ 105(a), 363 and 554(a) to abandon certain records and files belonging to the estates which, in Debtors' estimation, are valueless, burdensome and otherwise unnecessary to the orderly liquidation of its assets and its ongoing effort to minimize costs (the "Motion"). Debtors proceed by order to show cause rather than by notice of motion because Bankruptcy Rule 6007(a), which governs proceedings brought under § 554(a) of the Code, requires that fifteen days' notice be given to all parties unless the Court orders such period shortened. Debtors request that this required time period be shortened because of the urgent importance to Debtors' estate of obtaining the Court's permission to abandon the above-mentioned records

before October 16, 1992, when Debtors are scheduled to vacate their current office space in Rockleigh, New Jersey. Debtors are also scheduled to vacate their facilities at the Dade County International Airport ("Miami Airport") and at John F. Kennedy International Airport ("JFK") on October 31, 1992 and December 31, 1992, respectively. As more particularly described in the affidavit of Ramesh K. Punwani, sworn to on October 6, 1992 (annexed hereto) (the "Punwani Affidavit"), substantial savings in office space, records storage and maintenance costs will result from the abandonment of these unnecessary and burdensome records prior to these moves.

#### BACKGROUND

5. As reflected in the Punwani Affidavit, Debtors have, as with most large corporations, maintained voluminous internal files and records encompassing everything from cancelled flight coupons, corporate business records and financial documents to environmental, aircraft safety and other records required to be maintained by various federal and state regulatory agencies (the "Records"). These Records have been maintained for varying periods of time, pursuant to a written records retention policy and as mandated by federal and state laws.

6. At present, the Records are housed in seven locations: (1) Debtors' Rockleigh, New Jersey corporate offices; (2) Debtors' facilities at JFK, Jamaica, New York; (3) Debtors' facilities at the Miami Airport, Miami, Florida; (4) Debtors' warehouse facilities in Tappan, New York; (5) Debtors' storage

facilities in Washington, D.C.; (6) certain of Debtors's overseas locations; and (7) certain storage facilities maintained by Pierce Leahy Corporation ("Pierce Leahy"), pursuant to an ongoing storage agreement previously entered into between Pan Am Corporation and Pierce Leahy. A recent inventory of the Records, arranged by subject category, quantity and location, is attached to the Punwani Affidavit as Exhibit A.

7. Debtors ceased airline operations on December 4, 1991, and are now in the final stages of winding down the affairs of the estates. Debtors' activities, accordingly, are limited to selling off assets and minimizing costs in all areas of operation. The bulk of the Records at issue, as noted, are internal corporate files and operational documents which, with the cessation of Debtors' operations, are of no further use to anyone and are of no remaining monetary benefit or value to the estates.<sup>1</sup>

8. As a further impetus for the relief sought herein, Debtors are, as noted, vacating imminently all of their prior facilities. On or about October 16, 1992, Debtors will vacate their corporate offices at Rockleigh, New Jersey and transfer all remaining operations there to substantially smaller quarters. On

---

<sup>1</sup> The process of identifying and pursuing claims and causes of action against third parties and/or in disposing of estate assets has largely been completed; any of the Records necessary thereto have been segregated into working files which will be retained. Further, any Records considered material or relevant to ongoing litigation in which Debtors are involved (including actions stayed pursuant to § 362 of the Code) have previously been segregated and will be retained.

or about October 31, 1992 and December 31, 1992, respectively, Debtors will vacate their facilities at the Miami Airport and at JFK. The costs involved in providing alternative storage facilities for and/or transporting the thousands of boxes of Records now being stored at the above locations would be prohibitive. Significant cost savings will thus result from the abandonment of the many unnecessary and burdensome Records housed at these locations.

9. It should be noted, finally, that Debtors have taken various precautions to ensure that the relief requested herein poses no cognizable risk of harm or inconvenience to any interested parties or to the public at large. The Records sought to be abandoned pursuant to this Motion, first of all, represent only a discrete portion of the total Records retained by Debtors and have been identified, in a careful process of internal review conducted by Debtors' operational personnel, as entirely valueless and immaterial to these proceedings. The Records sought to be abandoned herein truly are burdensome and unnecessary.

10. Second, Debtors have established a procedure, approval for which is sought herein nunc pro tunc to September 28, 1992, by which the Records thus selected for abandonment by Debtors' operational personnel are subjected to an additional multi-layered review and approval process, designed to ensure that no valuable assets are harmed or lost through abandonment and that the interests of third parties are protected. Pursuant

to this procedure, Debtors' operational personnel must submit a form describing the specific Records sought to be disposed of (denominated as a "Request for Records Abandonment") to the following parties for further review and signed approval: (i) Debtors' in-house legal and tax departments; (ii) Debtors' outside counsel, Cleary, Gottlieb, Steen & Hamilton; (iii) counsel for the Official Committee of Unsecured Creditors; (iv) counsel for the Ad Hoc Committee of Administrative and Priority Creditors; and (v) counsel for Delta Air Lines, Inc. The above parties have agreed to respond to the approval forms within 48 hours of receipt. Only after such approval is obtained will any Records be abandoned. Copies of the approval forms received to date (without approval signatures) are attached to the Punwani Affidavit as Exhibit B.<sup>2</sup>

11. Third, certain categories of Records relating to areas of potential public or private concern have been and will be entirely excluded from the scope of the relief sought herein. These excluded categories of Records include: (i) environmental records required to be kept by relevant federal regulatory agencies; (ii) employee medical and personnel records; (iii) files and records maintained by Debtors' legal department (including those relating to both pending and inactive litigation); (iv) tax-related records; (v) aircraft maintenance and flight safety records required to be maintained by the

---

<sup>2</sup> Debtors' counsel will bring to court at the hearing on the Motion as many forms with approval signatures as have been received to that date.

Federal Aviation Administration;<sup>3</sup> and (vi) all pension records relating to the Defined Benefit and Defined Contribution Plans previously administered by Pan American World Airways, Inc.<sup>4</sup> Debtors propose to retain all of the above records until the administration of Debtors' estates is completed and these bankruptcy proceedings are terminated, at which time a final disposition with respect to such records will be proposed.

SPECIFIC RELIEF REQUESTED

12. For the reasons discussed above, and as more fully discussed in the accompanying Memorandum of Law, Debtors submit that the Court may properly grant authority to Debtors, pursuant to §§ 105(a) 363 and 554(a) of the Code, to abandon the Records. Debtors, accordingly, seek Court approval to abandon, pursuant to the review procedure described in paragraph 9 above and with the further limitations outlined in paragraph 10 above, any and all Records listed in Exhibit A of the Punwani Affidavit, as and to the extent the needs of the ongoing liquidation process may dictate.

---

<sup>3</sup> Aircraft maintenance records are routinely transferred to third parties pursuant to agreements to sell (or lease) the aircraft or engines to which they are pertinent. Debtors are currently in the process of concluding negotiations for the sale (or other disposition) of the remaining aircraft and engines belonging to the estates. Any remaining aircraft maintenance records will be transferred, pursuant to court order, by such means.

<sup>4</sup> Debtors are currently negotiating with the Pension Benefit Guaranty Corporation ("PBGC") for the transfer of the above-mentioned pension records to PBGC.

13. No previous applications for the relief requested herein has been made to this or any other Court.

WHEREFORE, Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: New York, New York  
October 6, 1992

CLEARY, GOTTLIB, STEEN & HAMILTON

By 

George Weisz (GW 7120)  
A Member of the Firm  
One Liberty Plaza  
New York, New York 10006  
(212) 225-2000

Attorneys for Debtors and Debtors  
in Possession, Pan Am  
Corporation, et al.



VERIFICATION

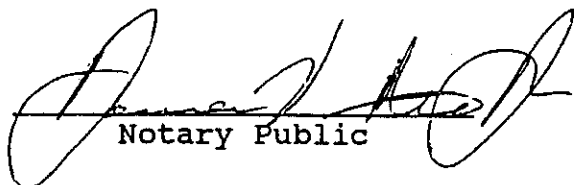
STATE OF NEW YORK    )  
                                  )    ss.:  
COUNTY OF NEW YORK )

PAUL A. RENDICH, being duly sworn, deposes and says:

I am Senior Vice President - General Counsel of Pan Am Corporation and am the authorized agent of Peter T. McHugh, Chief Executive Officer and Responsible Officer ("Authorized Agent") for each of the Debtors herein, appointed pursuant to the Consent Order Authorizing the Appointment of a Responsible Officer for Debtors in Possession signed by this Court on January 9, 1992. Either directly or through my role as Authorized Agent I have knowledge of the scope and nature of the business activities of Debtors during the period relevant to this proceeding. I have read the foregoing Verified Motion and hereby verify that it is true to the best of my knowledge.

  
Paul A. Rendich

Sworn to before me this  
6<sup>th</sup> day of October, 1992

  
Notary Public

**JAMES V. ASH JR.**  
Notary Public, State of New York  
No. 31-4981118  
Qualified in New York County  
Commission Expires May 6, 1993