

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

HOYT TRANSPORTATION CORP.,

Case No. 13-44299-NHL

Debtor.

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**ORDER AUTHORIZING HOYT TRANSPORTATION CORP.  
TO BID AT THE ATLANTIC EXPRESS AUCTION SALE**

Upon reading and filing the motion of Hoyt Transportation Corp. (øHoytö), seeking authorization to permit Hoyt to bid at the bankruptcy auction sale involving the assets of Atlantic Express et al. (Case No. 13-13591-SHL)(øAtlantic Expressö), and the motion having been entertained on an expedited basis, based upon shortened notice due to the exigencies involved; and

This matter having come for a hearing on December 5, 2013, at which time several creditors and interested parties appeared, including the attorneys for Local 1181, the NLRB, the City of New York, Santander Bank, N.A. formerly known as Sovereign Bank N.A. (øSovereign Bankö), and the Office of the United States Trustee; and

The Debtorø counsel having modified the motion based on certain representations regarding the terms and conditions under which (i) Hoyt would submit a bid, most notably that the bid and any subsequent purchase of assets shall be funded through a capital contribution made by the Debtorø principals as an investment; (ii) Hoyt would condition its bid to make clear that it will not assume any obligations of Atlantic Express or expose the bankruptcy estate to potential liability for the debts of Atlantic Express without the

prior authorization of Local 1181 and Sovereign Bank, as applicable; and, (iii) Hoyt's bid will include an amount for the potential liability for the back-pay debts and benefit debts of Atlantic Express, which amount will be confirmed by Local 1181 and the NLRB prior to the start of the auction; and (iv) should Hoyt be deemed the high bidder on any routes, it will not sign an asset purchase agreement without authorization from Local 1181, predicated upon a comprehensive agreement covering existing claims and future terms of a new collective bargaining agreement (a "Global 1181 Resolution"); and

Based upon the record compiled at the hearing; and

It being determined that the Debtor should be authorized to pursue new business opportunities subject to the commitments and representations made on the record and embodied herein; it is hereby

**ORDERED** that Hoyt is authorized to make a bid for certain of the assets of Atlantic Express as Hoyt reasonably determines, with the deposit of \$500,000 and the ensuing purchase price, including any assumed liabilities, to be funded by Hoyt's principals as a capital contribution; and it is further

**ORDERED** that a copy of the bid made by Hoyt be provided to counsel for Local 1181, the NLRB, Sovereign Bank and the United States Trustee upon submission in the Atlantic Express bankruptcy case; and it is further

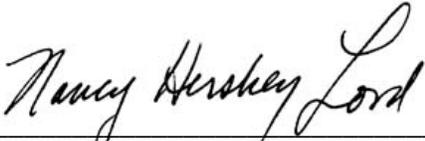
**ORDERED** that should Hoyt be selected as a high bidder for any of the assets and routes of Atlantic Express, it shall not execute an asset purchase agreement without obtaining the approval of Local 1181 on a Global 1181 Resolution; and it is further

**ORDERED** that Hoyt shall have the right, after final resolution and adjustment of all competing claims as between the bankruptcy estate, Local 1181, the City of New York and the NLRB regarding Hoyt's back-pay wage obligations to move to seek to treat the capital contribution made by the Debtor's principals as an unsecured post-petition loan subordinated to any unpaid claims of Local 1181, the City of New York, or the NLRB, and on such other and further terms as the Court may subsequently deem appropriate upon full notice and a hearing on such a request; and it is further

**ORDERED** that Hoyt shall consult with Local 1181 throughout the course of the bidding as necessary and Hoyt shall be permitted to request, by letter on the Court's ECF Docket, an emergency hearing of the Bankruptcy Court via a telephone conference to address any issues which arise during the Auction.

**Dated: December 6, 2013**  
**Brooklyn, New York**



  
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**Nancy Hershey Lord**  
**United States Bankruptcy Judge**