



**CORPORATE  
RESTRUCTURING**

Our ref: GWB/JXN/RWG/CTK/BIR001/270758/P3

Your ref:

**TO ALL KNOWN CREDITORS**

43 - 45 Portman Square  
London W1H 6LY

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[www.mcr.uk.com](http://www.mcr.uk.com)

When telephoning please ask for:  
Camilla Kastrup

e-mail:

[ckastrup@mcr.co.uk](mailto:ckastrup@mcr.co.uk)

Direct dial:

020 7535 1189

7 July 2008

Dear Sirs

**EOS Airlines, Inc. (In Administration) ("the Company")**

I refer to my letter of 26 June 2008 and my appointment as Joint Administrator of the Company's UK business on 28 April 2008.

Please find enclosed a copy of the Joint Administrators' proposals and report to creditors dated 1 July 2008.

Pursuant to Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will not be convened for the reasons mentioned in the report at paragraph 10.

The Joint Administrators' advise creditors and other stakeholders to comply with all notices and other information noticed or issued to the creditors or other stakeholders of the Company by the Chapter 11 Bankruptcy Proceeding in the USA. Important information and notices concerning the Chapter 11 Bankruptcy Proceedings can be found at the following website [www.kccllc.net/eosairlines](http://www.kccllc.net/eosairlines). The website also provides information for the Company's creditors including a copy of the "Proof of Claim" form, details of the "Notice of Deadline for Filing Proofs of Claim" together with other useful information.

It should be noted that as a creditor you can request a UK meeting of creditors. Any request must be made within 12 days and be supported by 10% of creditors in value. As there are strict formalities relating to the procedures to be followed, please contact Camilla Kastrup urgently if you wish to make a request.

In the interim, should you have any queries please contact Camilla Kastrup of this office.

Yours faithfully  
For and on behalf of  
EOS Airlines, Inc.



0822581080707000000000004

**Geoff Bouchier**  
Joint Administrator

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents for the company and without personal liability.

## The Insolvency Act 1986

**Statement of administrator's proposals****2.17B**

Name of Company EOS Airlines, Inc.	Company number FC026245
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 3439 of 2008

(a) Insert full name(s) and  
address(es) of administrators

We (a) Geoffrey Wayne Bouchier and Andrew Gordon Stoneman  
Menzies Corporate Restructuring  
43-45 Portman Square  
London  
W1H 6LY

\* Delete as appropriate

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 7 July 2008



Signed \_\_\_\_\_  
Joint Administrator

Dated 7 JULY 2008

**Contact Details:**

You do not have to give any  
contact information in the box  
opposite but if you do, it will help  
Companies House to contact you if  
there is a query on the form. The  
contact information that you give  
will be visible to searches of the  
public record

Menzies Corporate Restructuring  
43-45 Portman Square  
London  
W1H 6LY

Tel: 020 7487 7240

When you have completed and signed this form please send it to the Registrar of Companies at:

**Companies House, Crown Way, Cardiff CF14 3UZ**

**DX 33050 Cardiff**

266020

**EOS Airlines, Inc.  
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors  
for the period from 28 April 2008 to 1 July 2008  
pursuant to Paragraph 49 of Schedule B1  
to the Insolvency Act 1986**

**Court Reference: High Court of Justice Number: 3439 of 2008**

**1 July 2008**

**MCR Corporate Restructuring  
43-45 Portman Square  
London  
W1H 6LY**

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## **1. INTRODUCTION**

- 1.1 Geoffrey Wayne Bouchier and Andrew Gordon Stoneman of MCR Corporate Restructuring were appointed Joint Administrators of the UK business of EOS Airlines, Inc. on 28 April 2008 by the directors of EOS Airlines, Inc. pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are being exercised jointly and severally.
- 1.3 This report sets out the circumstances of the Joint Administrators' appointment and the progress of the Administration to date.

## **2. BACKGROUND**

- 2.1 The head office of EOS Airlines, Inc. ("the Company" and "EOS") is situated in the USA at 287 Bowman Avenue, 4<sup>th</sup> Floor, Purchase, New York, 10577. The Company was incorporated in Delaware on 8 April 2003 and was a United States certified scheduled international passenger airline that provided air transportation between the United States and Great Britain ("GB").
- 2.2 The Company's centre of main interest is in the USA.
- 2.3 The Company was registered at Companies House for England and Wales as a foreign company on 27 September 2005 and as a branch, with a branch open date of 8 January 2005. The branch address is Enterprise House, Room B107, Stansted Airport, CM24 1QW.
- 2.4 The Company provided single class premium service between New York's John F. Kennedy International Airport ("JFK") and London's Stansted Airport ("Stansted") using Boeing 757 aircraft containing 48 seats. The Company also provided charter services.
- 2.5 Prior to the appointment of the Joint Administrators, the Company operated circa 31 weekly flights between JFK and Stansted.

## **3. EVENTS LEADING UP TO THE ADMINISTRATION**

- 3.1 On 26 April 2008, the Company filed a voluntary petition ("the Petition") for relief under Chapter 11 of the United States Bankruptcy Code ("the Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York ("the Bankruptcy Proceedings" and "the Foreign Main Proceeding").
- 3.2 The Company sought relief pursuant to Chapter 11 of the Bankruptcy Code following failed attempts to secure further investment. Further information regarding the events leading up to the Administration and the Company can be found at [www.eosairlines.com](http://www.eosairlines.com) and [www.kccllc.net/eosairlines](http://www.kccllc.net/eosairlines).
- 3.3 Following the filing of the Petition, the Company's directors sought assistance in respect of the Company's assets and affairs situated in GB. On 28 April 2008, the Company's directors commenced concurrent proceedings (or ancillary proceedings) within the meaning of the UNCITRAL Model Law on Cross Border Insolvency in the UK via Part 2 of the Insolvency Act 1986 by the filing of Form 2.10B together with associated papers at the High Court of Justice, Chancery Division, Companies Court. Geoffrey Wayne Bouchier and Andrew Gordon Stoneman of MCR Corporate Restructuring were appointed Joint Administrators. These proceedings were opened with a view to seeking recognition of the US Bankruptcy Proceedings as a Foreign Main Proceeding under the UNCITRAL Model Law on Cross Border Insolvency.

- 3.4 On 18 June 2008, an Order of the High Court of Justice, Chancery Division, Companies Court for England & Wales ordered that the Bankruptcy Proceedings be recognised as a Foreign Main Proceeding in accordance with the UNCITRAL Model Law on Cross-Border Insolvency as set out in Schedule 1 to the Cross-Border Insolvency Regulations 2006 and that the effect of the Administration Order made in the High Court of Justice on 28 April 2008 be restricted to assets of EOS Airlines, Inc. that are located in GB and to the extent necessary to implement cooperation and coordination within the meaning of and under Articles 25 and/or 26 and/or 27 of the said Model Law, to assets of EOS Airlines, Inc. that under the law of GB and/or England and Wales are and/or should be administered in relation to the said Administration.

#### **4. PURPOSE OF THE ADMINISTRATION**

- 4.1 The purpose of an Administration is to achieve the following hierarchical objectives:
- (a) Rescuing the company as a going concern, or
  - (b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
  - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 The Joint Administrators are currently uncertain which of the above objectives will be capable of achievement. The objective achieved is likely to be influenced by the Plan adopted in the Foreign Main Proceeding which has yet to be formally agreed. However, it should be noted that the Foreign Main Proceeding is pursuing a strategy of realising the Company's assets in the USA and therefore any rescue of the Company as a whole would appear unlikely.
- 4.3 The Joint Administrators believe that the second and third objectives are capable of achievement in any event.

#### **5. PROGRESS OF THE ADMINISTRATION TO DATE**

- 5.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.
- 5.2 As mentioned at paragraph 3.4, the assets to be dealt with by the UK Joint Administrators are primarily restricted to assets that are located in GB. Details of GB asset realisations to date are set out below:

##### **Cash at Bank**

- 5.3 The UK business of the Company banked with Barclays Bank PLC ("Barclays") and Wachovia Bank N.A. ("Wachovia").
- 5.4 Cash at bank as at the date of the Joint Administrators' appointment was as follows:
- |                            |     |         |
|----------------------------|-----|---------|
| - Barclays current account | GBP | 3,303   |
| - Barclays deposit account | GBP | 0       |
| - Wachovia current account | GBP | 237,268 |
| - Wachovia current account | EUR | 37,789  |
- 5.5 The Joint Administrators have received £3,303 from Barclays. No further realisations are anticipated.

- 5.6 The funds at Wachovia remain in the Company's bank accounts at Wachovia and are held to the Joint Administrators' order.

**Gross Bank Interest**

- 5.7 Gross bank interest of £1,049 has been received into the Wachovia GBP bank account to date in respect of the post appointment period. In addition, further bank interest of £345 has been received.

**Credit and Debit Card Receipts**

- 5.8 The Wachovia GBP bank account has received a total of £130,332 as at 30 May 2008 in respect of pre-appointment trading activities.
- 5.9 It is currently uncertain whether further receipts will be received.

**Book Debts**

- 5.10 The Joint Administrators have realised £205,000 in respect of a book debt due from the Ministry of Defence ("MOD") in respect of a pre-appointment charter flight. There remains a balance due from the MOD of circa £6,777 in respect of airport taxes which is currently being dealt with by the Joint Administrators.
- 5.11 The Joint Administrations are in communication with the International Air Transport Association ("IATA") in respect of pre-appointment air passenger fares. It is currently uncertain whether IATA is a net debtor or creditor. The Joint Administrators will update creditors further in due course.
- 5.12 The Joint Administrators have been advised by those representing the Company in the Foreign Main Proceeding that there may be debts due from a cargo agent of circa USD 116,000 and GBP 5,590. The Joint Administrators are investigating this and will update creditors further in due course.

**Rotable Assets**

- 5.13 The Joint Administrators' valuation agents valued the rotatable assets (airplane spares) at USD 300,000 as at 19 May 2008. In addition to the rotatable assets situated in GB, further rotatable assets are situated in the USA.
- 5.14 The Foreign Main Proceeding has requested the Joint Administrators to allow the rotatable assets situated in GB to be transported to the USA to enable all rotatable assets to be marketed for sale together in order to maximise realisations. This has now occurred.

**Ground Support Equipment ("GSE")**

- 5.15 Following a marketing exercise carried out by the Joint Administrators agents and following communications with the Foreign Main Proceeding, the Joint Administrators accepted third party offers for the GSE which resulted in total sales consideration of £16,300 plus VAT being received.

**Chattel assets**

- 5.16 The chattel assets consist of office furniture and equipment, various standard tools and lounge furniture.
- 5.17 The Joint Administrators have appointed valuation agents to inspect, review and market for sale the chattel assets. The Joint Administrators will update creditors further in due course.

### **Other assets**

- 5.18 The Joint Administrators and their valuation agents are currently dealing with other stock to include catering equipment, crockery, glassware and bonded alcohol stock. A significant proportion of these items are branded with the Company's logo.
- 5.19 The Joint Administrators will update creditors further in due course.

### **Investigations**

- 5.20 The Joint Administrators have a statutory obligation to file a report with the Department for Business, Enterprise & Regulatory Reform regarding the conduct of all directors of the Company that served in the three years prior to the appointment. The content of this report is confidential.

### **Receipts and Payments**

- 5.21 A detailed receipts and payments account is shown at Appendix 2.

## **6. STATEMENT OF AFFAIRS**

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators have requested that the directors provide them with a Statement of Affairs.
- 6.2 A fully completed Statement of Affairs has not yet been received. In order to provide creditors with details of the Company's financial position, the Joint Administrators attach at Appendix 3 an extract from a statement of facts and affidavit of Tom Martin, the Company's Chief Financial Officer, of 27 April 2008.

## **7. JOINT ADMINISTRATORS' REMUNERATION**

- 7.1 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed, is by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 7.2 The Joint Administrators will be seeking the subsequent approval of the Company's secured creditor as registered at Companies House in the UK (i.e. Barclays Bank Plc; see paragraph 8.1 below) and the UK preferential creditors in respect of their remuneration pursuant to Rule 2.106(5A) of the Insolvency Rules 1986, as amended.
- 7.3 The Joint Administrators' time costs for the period 28 April 2008 to 27 June 2008 total £80,317. To date, no remuneration has been drawn.
- 7.4 A schedule of these time costs is set out at Appendix 4. A Creditors' guide to Administrators' fees can be found at [www.mcr.uk.com](http://www.mcr.uk.com).

## **8. DIVIDEND PROSPECTS / PRESCRIBED PART**

### **Secured Creditors**

#### **Barclays Bank Plc ("Barclays" and "the Secured Creditor")**

- 8.1 In consideration of the merchant acquirer facilities provided by Barclays, the Company granted Barclays a "Deed of charge over credit balances" dated 16 May 2006 ("the Deed of Charge") as security.



- 8.2 The Deed of Charge confers a fixed charge over a deposit account held at Barclays. As at the date of the Joint Administrators' appointment, the balance of the deposit account was circa £103,238. These funds were drawn down by Barclays in respect of its potential future exposure due to likely credit card chargebacks as a result of the Company's failure.
- 8.3 In addition, Barclays have retained credit funds of circa £476,333 in respect of pre-appointment credit card sales. The Joint Administrators understand that these funds have been retained by Barclays pursuant to Barclays' banking agreement with the Company in respect of its future likely potential credit card chargeback exposure. Barclays have advised that they anticipate credit card chargebacks to total circa £600,000.

#### **UK Preferential Creditors**

- 8.4 The UK preferential creditors primarily consist of claims from the Company's former UK employees (limited to those employees paid via UK payroll with appropriate UK tax deductions) for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the Secretary of State ("Preferential Creditors").
- 8.5 There were 43 UK employees as at the date of the Joint Administrators' appointment all of which have now been made redundant. The final remaining employee was made redundant on 17 June 2008.
- 8.6 It is currently anticipated that there will be sufficient funds available to enable preferential creditors to be paid in full.

#### **Prescribed Part pursuant to section 176A of the Insolvency Act 1986**

- 8.7 The provisions of section 176A of the Insolvency Act 1986 do not apply.

#### **Non Preferential Creditors**

- 8.8 The Joint Administrators understand that non-preferential creditor claims total approximately USD 34,000,000.
- 8.9 The administration of the Company's non preferential creditor claims is being dealt with by the Foreign Main Proceedings' claims handling agent in the USA, Kurtzman Carson Consultants LLC ("KCC").
- 8.10 Non-preferential creditors should have received a notice from KCC requesting creditors file details of their claims against EOS Airlines, Inc. using a "Proof of Claim" form. Creditors should have received a copy of a notice confirming that the deadline for the filing of proof of claim forms is 28 July 2008. **The Joint Administrators recommend that creditors complete the proof of claim form and return the completed form as directed by 28 July 2008.**
- 8.11 Important information and notices concerning the Bankruptcy Proceedings in the USA can be found at the following website [www.kccllc.net/eosairlines](http://www.kccllc.net/eosairlines). The website also provides other information in respect of the Bankruptcy Proceedings including a copy of the above mentioned "Proof of Claim" form should you not have received a copy in the post.

### **9. EC REGULATION**

- 9.1 The EC Regulation on insolvency does not apply. The Company is registered in the USA and the centre of main interests of the Company is in the USA. The UNCITRAL Model Law applies and the UK Administration is a concurrent proceeding in support of the Foreign Main Proceeding.

## **10. CREDITORS' MEETING**

- 10.1 In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will not be convened as the overriding duty of the Joint Administrators is to co-operate with the Foreign Main Proceeding pursuant to the UNCITRAL Model Law and it is intended that any surplus Administration funds will be passed to the Foreign Main Proceeding where any distribution to non-preferential creditors will be administered. Therefore, there will be insufficient funds available to enable a distribution to be made to non-preferential creditors from the UK estate.
- 10.2 However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 5, within 12 days from the date this report is sent or notified to creditors as indicated by the covering letter.
- 10.3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

## **11. END OF ADMINISTRATION**

- 11.1 As mentioned at paragraph 10.1 above, it is the overriding duty of the UK Joint Administrators to co-operate with the Foreign Main Proceeding. As a result, it is intended that any surplus Administration funds be passed to the Foreign Main Proceeding where any distribution to non-preferential creditors will be made.
- 11.2 Once all outstanding matters have been completed to the satisfaction of the Joint Administrators, the Administration will be concluded and the Administration Order discharged. It is proposed that the Company's branch in the UK be deregistered under the Companies Act and/or an application to Court be made or the Administration be concluded in any other manner thought appropriate by the Joint Administrators.
- 11.3 In the event that the Plan adopted in the Foreign Main Proceeding involves the rescue of the Company, then the Joint Administrators proposed exit route from Administration is the return of control to the directors.


## **12. JOINT ADMINISTRATORS' PROPOSALS**

- 12.1 The Joint Administrators propose the following:
- 12.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
- 12.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 12.1.3 To seek an extension to the Administration period if deemed necessary by the Joint Administrators for a period of six months.

- 12.1.4 That the Joint Administrators co-operate to the maximum extent possible with the Foreign Main Proceeding and pass any surplus Administration funds to the Foreign Main Proceeding after distributing to Secured Creditors and Preferential Creditors and discharging the costs and expenses of the Administration as determined appropriate by the Joint Administrators.
- 12.1.5 That once all outstanding matters have been satisfactorily completed by the Joint Administrators, the Administration be concluded by means of the likely deregistration of the Branch of the Company in the UK under the Companies Act and/or an application to Court or in any other manner thought appropriate by the Joint Administrators.
- 12.1.6 In the event that the Plan adopted in the Foreign Main Proceeding determines that the Company will be rescued, or if otherwise directed by the Foreign Main Proceeding, then the Joint Administrators proposed exit route from Administration is the return of control of the Company to the directors.
- 12.1.7 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing for the end of the Administration or their appointment otherwise ceasing.
- 12.1.8 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
- 12.1.9 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.
- 12.1.10 That the Joint Administrators be authorised to instruct and pay Menzies LLP to assist with corporation tax work, employee claims and any other matters the Joint Administrators deem necessary.
- 12.2 Pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the proposals in paragraph 12.1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 10.2 above, provided that no meeting has been so requisitioned.
- 12.3 The Joint Administrators will also be seeking the following resolutions from the Secured Creditor and the Preferential Creditors:
  - 12.3.1 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing for the end of the Administration or their appointment otherwise ceasing.
  - 12.3.2 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
  - 12.3.3 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
  - 12.3.4 That the Joint Administrators be authorised to instruct and pay Menzies LLP to assist with corporation tax work, employee claims and any other matters the Joint Administrators deem necessary.

**13. OTHER MATTERS**

- 13.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.
- 13.2 If you require further information or assistance, please contact my colleague Camilla Kastrup in the first instance.



**Geoff Bouchier**  
Joint Administrator

## **APPENDIX 1**

## STATUTORY INFORMATION

<b>Foreign company registration date</b>	27 September 2005	
<b>Branch open date</b>	8 January 2005	
<b>Company number</b>	FC026245	
<b>Branch number</b>	BR008406	
<b>Company directors</b>	Mr D Dominik Mr D Pottruck Mr D Spurlock Mr G Leonard Baker, Jr. Mr J Williams Mr J Mizrahi Mr J Rogers Mr K Diekroeger Mr R Graves Mr T Martin	
<b>Company secretary</b>	Eilif Serck-Hanssen	
<b>Shareholders</b>	Please see the attached schedule.	
<b>Head &amp; Registered Office</b>	287 Bowman Avenue 4 <sup>th</sup> Floor Purchase NY 10577 United States	
<b>Registered Branch</b>	Current:  43-45 Portman Square London W1H 6LY	Formerly:  Enterprise House Room B107 Stanstead Airport CM24 1QW
<b>Any other trading names</b>	EOS Airlines, Inc. FDBA Atlantic Express, Inc.	
<b>Financial Information</b>	Information regarding the Foreign Main Proceedings can be found at: <a href="http://www.kccllc.net/eosairlines">www.kccllc.net/eosairlines</a> .	

# EOS Airlines, Inc. (In Administration)

## Schedule of shareholders

Name of Shareholder	Percentage of shares held (all classes of shares)
CCG Investments, LLC	19.223%
CCG AV, LLC-Series C	1.708%
Golden Gate Capital Investments II, L.L.C.	19.638%
Golden Gate EOS Holdings, LLC	2.269%
GGC Associates II-AI, LLC	0.007%
Rizon United Corporation	22.464%
Maveron Holdings 2006, LLC	4.509%
David S Pottruck, Trustee, David S. Pottruck Revocable Trus U/A DTD 9/29/89	3.064%
Parish Capital II, L.P.	1.918%
Parish Capital Buyout Fund II, L.P.	1.079%
Sutter Hill Eos Holdings, LLC	3.251%
David L. Anderson, Trustee of The Anderson Living Trust U/A/D 1/22/98	0.076%
Anvest, L.P.	0.032%
G. Leonard Baker, Jr. and Mary Anne Baker, Co-Trustees of The Baker Revocable Trust U/A/D 2/3/03	0.481%
G. Leonard Baker, Jr. General Partner Saunders Holdings, L.P.	0.093%
William H. Younger, Jr., Trustee of The Younger Living Trust U/A/D 1/20/95	0.263%
Tench Cox and Simone Otus Cox, Co-Trustees of The Cox Revocable Trust U/A/D 4/23/98	0.440%
Gregory P. Sands and Sarah J.D. Sands as Trustees of Gregory P. and Sarah J.D.Sands Trust Agreement dated 2/24/99	0.066%
Gregory P. Sands Trustee of the Gregory P. Sands Charitable Remainder Unitrust	0.012%
James C. Gaither, General Partner Talack Partners L.P.	0.025%
James C. Gaither, Trustee of the The Gaither Revocable Trust, U/A/D 9/28/00	0.017%
James N. White and Patricia A.O'Brien as Trustees of The White Family Trust U/A/D 4/3/97	0.077%
Jeffrey W. Bird and Christina R. Bird as Trustees of Jeffrey W. and Christina R. Bird Trust Agreement dated 10/31/00	0.136%
Ronald Daniel Bernal and Pamela Mayer Bernal as Trustees of Bernal Family Trust U/D/T 11/3/1995	0.056%
David E. Sweet and Robin T. Sweet as Trustees of The David and Robin Sweet Living Trust dated 7/6/04	0.039%
Sherryll W. Casella	0.001%
Lynne B. Graw	0.007%
Patricia Tom	0.009%
Robert Yin and Lily Yin as Trustees of Yin Family Trust dated March 1, 1997	0.004%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO Sherryll W. Casella	0.005%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO David L. Anderson	0.055%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO William H. Younger, Jr.	0.105%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO Tench Cox	0.068%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO James N. White	0.010%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO Ronald D. Bernal	0.003%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO David E. Sweet Rollover	0.008%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO Lynne B. Graw Rollover	0.001%
Wells Fargo Bank, N.A. FBO-SHV Profit Sharing Plan FBO Robert Yin	0.001%
The Sourlock Family Trust, dated May 12, 2003, David and Amy Sourlock Trustees*	1.341%
David Sourlock	0.681%
Other Employee Holders	1.719%
David Colman	0.026%
Hector Adler	0.046%
Reserved for Future Issuance	1.397%
Andrew Gil Morgan	0.759%
Jack Williams	3.158%
Bonnie Reitz	0.093%
Evans Gebhardt	0.104%
Ellif Serck-Hanssen 2007 Irrevocable Family Trust	0.276%
Ellif Serck-Hanssen	0.445%
Toby Joseph	0.077%
Other Employees	0.121%
Linear Partners LLC	0.202%
International Lease Finance Corporation	0.369%
QVT Hawaiian LLC	2.299%
Baron Investment Funds Trust	0.864%
Mariner Voyager Master Fund, LTD	0.599%
Mariner Opportunities Fund, LP	0.300%
Caspian Select Credit Master Fund Ltd.	0.300%
MBC Investments SA	0.253%
SSI (U.S.) Inc, (d/b/a/ Spencer Stuart)	0.017%
Craig Stevenson Jr.	0.631%
Spurlock Tax Credit Trust	0.061%
Freidenrich Family Partnership, L.P.	0.190%
K&E Investment Partners, L.P. - 2004-B DIF	0.423%
Oster Family Revocable Trust	0.633%
Peterson Capital II, LLC	1.101%
Flynn Family 1994 Trust	0.153%
Coleman Family Charitable Remainder Unit Trust, Denis R. Coleman, Trustee	0.056%
Robert Dye	0.016%
David K. Tu and Kristl W. Lee Revocalbe Trust dated May 13, 1993	0.012%
David Tu	0.014%
Wally Buch	0.043%
<b>Total shareholding</b>	<b>100%</b>

## **APPENDIX 2**



**EOS Airlines, Inc.**  
**(In Administration)**

**The Joint Administrators' receipts and payments account for the period  
28 April 2008 to 1 July 2008**

	Notes	Fixed Charge £	Floating Charge £	Total £
<b>Receipts</b>				
Ground Support Equipment		-	16,300.00	16,300.00
Book Debts		-	205,000.00	205,000.00
Cash at Bank		-	3,303.42	3,303.42
Cash at Bank at Wachovia	1	-	266,972.18	266,972.18
Gross Bank Interest re Wachovia		-	1,049.54	1,049.54
Credit and Debit Card Receipts		-	130,331.73	130,331.73
Bank Interest Gross		-	344.95	344.95
Sundry Refunds		-	24.90	24.90
		<u>0.00</u>	<u>623,326.72</u>	<u>623,326.72</u>
<b>Payments</b>				
Departure Fees		-	26,100.84	26,100.84
Storage Costs		-	630.01	630.01
Statutory Advertising		-	2,608.76	2,608.76
Employees' Salaries Gross		-	47,679.87	47,679.87
Bank Charges		-	15.00	15.00
		<u>0.00</u>	<u>77,034.48</u>	<u>77,034.48</u>
<b>Balance in hand</b>		<u>0.00</u>	<u>546,292.24</u>	<u>546,292.24</u>
<b>MADE UP AS FOLLOWS</b>				
VAT Receivable				156.69
Floating Bank Current Account				19,415.31
Treasury Deposit Bank Account				205,000.00
Wachovia Bank Account	1			324,572.74
VAT Payable				(2,852.50)
				<u>546,292.24</u>

**Note**

1. The quantum of funds shown above as cash at bank at Wachovia are held at Wachovia Bank. Also, included in the quantum of funds shown at Wachovia is EUR 37,789.25 which has been converted into sterling at the rate of 1.2722 as at 30 May 2008. The funds at Wachovia Bank are subject to further reconciliation.

### **APPENDIX 3**

**Schedule 3**  
**Eos Airlines, Inc. Balance Sheet as of March 31, 2008**

	<u>March 31, 2008</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 14,381,082
Short-term investments	-
Receivables, less allowance	11,218,738
Prepaid expenses and other	4,737,090
Total current assets	30,336,910
Property and equipment	
Flight equipment, net	37,309,524
Less: accumulated depreciation	9,800,539
	27,508,985
Other property and equipment, net	9,112,462
Less: accumulated depreciation	4,135,317
	4,977,145
Total property and equipment	32,486,130
Other assets	
Restricted cash	229,096
Deposits and other	7,181,319
Total other assets	7,410,415
Total assets	\$ 70,233,455
<b>Liabilities and Stockholders' Equity</b>	
Current liabilities	
Current maturities of long-term and capital lease obligations	\$ 704,370
Accounts payable	10,101,596
Air traffic liability	18,123,945
Other accrued liabilities	4,998,292
Total current liabilities	33,928,203
Long-term debt and capital lease obligations	469,782
Other long-term liabilities	460,500
Commitments and Contingencies	
Stockholders' equity	
Preferred stock	245
Common stock	6
Additional paid-in capital and other	213,643,866
Unearned compensation	(2,541,076)
Retained deficit	(175,728,071)
Total stockholders' equity	35,374,970
Total liabilities and stockholders' equity	\$ 70,233,455

**Schedule 1**  
**List of Creditors Holding 20 Largest Unsecured Claims<sup>2</sup>**

Creditor	Amount	Disputed Unliquidated Contingent
Servisair LLC 111 Great Neck Road - Suite 320 Great Neck, NY 11002-0355	\$ 744,000	
Campaña Mexicana de Aviacion, S.A. DE C.V. Xola 535 - Col. Del Valle Mexico Apartado Postal 12-813 MX 03100	\$ 697,293	
BAA Business Support Centre Limited Carlson House Glasgow, GB 3000 G52 4YG	\$ 477,727	
Delta Air Lines, Inc. PO Box 101153 Atlanta, GA 30392-1153	\$ 363,692	
JFK International Air Terminal Terminal 4, Room 161.022 John F. Kennedy Airport Jamaica, NY 11430	\$ 349,550	
United Airlines Inc. PO Box 74688 Chicago, IL 60675-4688	\$ 338,729	
IMS Consultants dba Innovative Media Solutions 3995 E. La Palma Anaheim, CA 92807	\$ 309,885	
Pan Am International Flight Academy P.O. Box 660920 Miami, FL 33266-0920	\$ 279,000	

<sup>2</sup> Golden Gate Capital appears on the Debtor's Top 20 list holding a claim of approximately \$308,333. Golden Gate Capital is an insider of the Debtor under 11 U.S.C. § 101(31).

Creditor	Amount	Disputed Unliquidated Contingent
MediaCom 777 Third Avenue New York, NY 10017	\$ 254,550	
DO & CO New York Int'l Catering, Inc 149-32 132 nd Street Jamaica, NY 11430	\$ 245,000	
Helios MPPD BV Prinsengracht 168 1016 HA Amsterdam Netherlands	\$ 247,482	
The Port Authority of NY & NJ P.O. Box 95000-1517 Philadelphia, PA 19195-1517	\$ 223,031	
ICTS (UK) Limited International Consultants on Targeted Security South Block, Tavistock Square London, GB WC1H 9LG	\$ 209,696	
Radisson SAS Hotel London Stansted Airport Waltham Close ES GB CN24 1PP	\$ 208,678	
B/E Aerospace 88269 Expedite Way Chicago, IL 60695-0001	\$ 204,280	Disputed
ASIG JFK P. O. Box 2278 Carolstream, IL 60132-2278	\$ 148,705	
ARC Financial Services 4100 N. Fairfax Drive Suite 600 Arlington, VA 22203	\$ 143,683	
Boeing Commercial Airplanes PO Box 277851 Atlanta, GA 30384-7851	\$ 128,651	
SourceSpeed LLC 420 Wolfe Street Alexandria, VA 22314	\$ 127,594	

**Schedule 4**  
**Stocks, Debentures and Other Securities**

List of all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

Name of Beneficial Owner	Percentage of Ownership
Golden Gate Capital	47%
Rizon United Corporation	24%
Sutter Hill Ventures	6%

## **APPENDIX 4**

# EOS Airlines, Inc. (In Administration)

## Analysis of Joint Administrators' time costs for the period 28 April 2008 to 27 June 2008

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
							£	£
Strategy planning & control	30.10	32.20	56.90	19.10		138.30	34,167.50	247.05
General admin	1.10	19.20	49.00	73.70		143.00	23,973.00	167.64
Employee matters		1.40	10.00	31.50		42.90	5,163.00	120.35
Floating charge assets	1.90	0.90	10.90	0.30		14.00	3,288.50	234.89
General correspondence	1.20	2.20		16.30		19.70	2,789.50	141.60
Meetings	4.00		1.40	4.30		9.70	1,870.50	192.84
Financial review	4.00			0.30		4.30	1,596.00	371.16
Unsecured creditors		0.40	3.50	5.60		9.50	1,336.50	140.68
Statutory meetings & reports		1.70	1.60	0.80		4.10	939.00	229.02
Cashiering & accounting		0.70	3.00	0.60		4.30	894.50	208.02
Proposals	0.90		1.10	3.10		5.10	753.50	147.75
Book debts		0.10	0.70	6.60		7.40	680.00	91.89
Investigations (Inc. antecedant transactions)			1.00	3.90		4.90	584.50	119.29
Sale of business		1.50		0.70		2.20	517.50	235.23
IPS set up & maintenance				4.40		4.40	514.50	116.93
CDDA reports		0.80	1.00	0.50		2.30	505.50	219.78
Statement of affairs			0.80	1.70		2.50	303.50	121.40
Fixed charge assets			0.80			0.80	176.00	220.00
Trading - operations			0.80			0.80	176.00	220.00
Preferential creditors			0.40			0.40	88.00	220.00
<b>Total Hours</b>	<b>43.20</b>	<b>61.10</b>	<b>142.90</b>	<b>173.40</b>		<b>420.60</b>	<b>80,317.00</b>	<b>190.96</b>
<b>Total Fees Claimed (£)</b>	<b>14,616.00</b>	<b>18,895.50</b>	<b>31,438.00</b>	<b>15,367.50</b>			<b>80,317.00</b>	

## Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
<b>Total</b>		<b>0.00</b>



## **APPENDIX 5**

## Rule 2.37

## Creditor's request for a meeting

Name of Company

EOS Airlines, Inc.

Company number

FC026245

In the  
High Court of Justice, Chancery Division,  
Companies Court

Court case number

3439 of 2008

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of EOS Airlines, Inc.

(b) Registered Office:  
287 Bowman Avenue  
4<sup>th</sup> Floor  
Purchase  
NY 10577  
United States

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
Requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence.(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated