

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
Eclipse Aviation Corporation, <i>et al.</i> ,	)	Case No. 08-13031 (MFW)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No.</b>
	)	

**MOTION TO SHORTEN NOTICE OF THE MOTION OF AD HOC  
COMMITTEE OF SECURED NOTEHOLDERS FOR AN ORDER  
CONVERTING THE DEBTORS' CHAPTER 11 BANKRUPTCY CASES  
TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE**

Kings Road Investments, Ltd., HBK Services LLC and Citadel Investment Group, L.L.C. (collectively, the "Ad Hoc Committee"), by their undersigned counsel, submit this motion (the "Motion"), pursuant to Local Bankruptcy rule 2002-1 and 9006-1(e) and sections 102 and 105 of title 11 of the United States Code, 11 U.S.C. § 101, *et. seq.* (the "Bankruptcy Code"), for an Order in the form attached hereto scheduling an expedited hearing and objection deadline with respect to the *Motion of Ad Hoc Committee of Secured Noteholders for an Order Converting the Debtors' Chapter 11 Cases to Cases Under Chapter 7 of the Bankruptcy Code* (the "Motion to Convert"), filed contemporaneously with this Motion, to enable a hearing on the Motion to Convert to be held at the earliest date the Court can schedule (the "Motion to Convert Hearing").

1. The Ad Hoc Committee seeks entry of an order converting the above-captioned chapter 11 cases (the "Bankruptcy Cases") to cases under chapter 7 of the Bankruptcy Code based on section 1112(b), which provides that a chapter 11 case shall be converted for cause when there is a substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation. 11 U.S.C. § 1112(b)(4)(A).

2. As more fully described in the Motion to Convert, there is no reasonable likelihood of rehabilitation in these Bankruptcy Cases because (a) Eclipse Aviation Corporation and Eclipse IRB Sunport, LLC (the “Debtors”) are administratively insolvent and (b) the sale of the Debtors’ assets to EclipseJet Aviation International, Inc. (“EclipseJet”), which was approved by this Court on January 23, 2009, has not closed because EclipseJet has not been able to obtain the requisite financing. After the delays EclipseJet has experienced in obtaining financing over the past month, the Ad Hoc Committee is convinced that it will not succeed in the near term. The Debtors can no longer wait: they are now literally out of cash, and as of February 18, 2009 had furloughed virtually all employees without pay. To conserve whatever value may still remain in the Debtor’s assets the cases must promptly be converted to cases under chapter 7. Cause exists to convert these cases because the Debtors’ estates are diminishing with no reasonable likelihood of rehabilitation.

3. If the Ad Hoc Committee is unable to obtain the relief requested herein on an expedited basis, the Debtors will continue to incur administrative expenses in these Bankruptcy Cases that will not be paid. It is therefore essential that the Motion be granted to minimize harm to the estates.

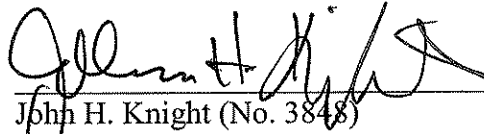
4. Counsel to the Ad Hoc Committee has advised counsel to the Debtors, EclipseJet and the United States Trustee of its intention to file the Motion to Convert and of its intention to seek an expedited hearing.

**Conclusion**

For the reasons set forth above, the Ad Hoc Committee respectfully requests that the Court enter an order in the form attached as Exhibit A (a) scheduling the Motion to Convert for hearing at the Court's earliest convenience; (b) requiring any party opposing the Motion to Convert to assert any response thereto in writing or orally, at the objecting party's election no later than the time set for the hearing on the Motion to Convert; (c) approving the form and manner of notice of the Motion to Convert and the hearing in respect to the Motion to Convert; and (d) granting such other relief as is just and proper.

Dated: February 24, 2009  
Wilmington, Delaware

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Counsel for the Ad Hoc Committee of Secured Noteholders

# EXHIBIT A

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
Eclipse Aviation Corporation, <i>et al.</i> ,	)	
	)	Case No. 08-13031 (MFW)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket Nos.</b>
	)	

**ORDER GRANTING MOTION TO SHORTEN NOTICE OF THE MOTION OF  
AD HOC COMMITTEE OF SECURED NOTEHOLDERS FOR AN ORDER  
CONVERTING THE DEBTORS' CHAPTER 11 BANKRUPTCY CASES  
TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the "Motion") of Kings Road Investments, Ltd., HBK Services LLC and Citadel Investment Group, L.L.C. (collectively, the "Ad Hoc Committee"), to schedule an expedited hearing and objection deadline with respect to the *Motion of Ad Hoc Committee of Secured Noteholders for an Order Converting the Debtors' Chapter 11 Cases to Cases Under Chapter 7 of the Bankruptcy Code* (the "Motion to Convert"); and having determined that under the circumstances presented in the Motion, the Court should grant the relief requested and schedule an expedited hearing on the Motion to Convert and set a deadline to respond to the Motion to Convert; it is hereby

ORDERED that the Court shall hear the Motion to Convert on \_\_\_\_\_, 2009, at \_\_\_\_\_ .m. prevailing Eastern Time (the "Hearing Date"); and it is further

ORDERED that any responses to the Motion to Convert must be (i) filed with the Court and served on counsel to the Ad Hoc Committee not later than the Hearing Date, or (ii) presented orally at the hearing on the Motion to Convert, at the election of the objecting party; and it is further

ORDERED that the notice of the Motion to Convert attached as Exhibit A (the “Notice of Motion”) is approved in all respects and when filed and served in accordance with the terms of this Order shall constitute sufficient notice of the Motion to Convert and Hearing Date; and it is further

ORDERED that counsel for the Ad Hoc Committee shall serve a copy of this Order and the Notice of Motion upon (i) counsel to the above-captioned Debtors, (ii) counsel to the Official Committee of Unsecured Creditors, (iii) counsel to EclipseJet Aviation International, Inc., (iv) counsel to the Office of the United States Trustee, by email, facsimile or hand-delivery and (v) via CM/ECF on any other party that has entered its appearance in these cases.

Dated: \_\_\_\_\_, 2009  
Wilmington, Delaware

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THE HONORABLE MARY J. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

# EXHIBIT A

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
Eclipse Aviation Corporation, <i>et al.</i> ,	)	Case No. 08-13031 (MFW)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Objection Deadline: TBD</b>
	)	<b>Hearing Date: TBD</b>
	)	
	)	

**NOTICE OF THE MOTION OF AD HOC COMMITTEE  
OF SECURED NOTEHOLDERS FOR AN ORDER CONVERTING  
THE DEBTORS' CHAPTER 11 BANKRUPTCY CASES TO CASES  
UNDER CHAPTER 7 OF THE BANKRUPTCY CODE**

To: The parties on the attached service list.

PLEASE TAKE NOTICE THAT on February 24, 2009, Kings Road Investments, Ltd., HBK Services LLC and Citadel Investment Group, L.L.C. (collectively, the "Ad Hoc Committee"), filed that certain *Motion of Ad Hoc Committee of Secured Noteholders for an Order Converting the Debtors' Chapter 11 Cases to Cases Under Chapter 7 of the Bankruptcy Code* (the "Motion") [Docket No. \_\_\_\_].<sup>1</sup>

PLEASE TAKE FURTHER NOTICE THAT if you wish to respond to the Motion, you must assert such a response in writing or orally, at the objecting party's election, no later than the time set for the hearing on the Motion (the "Objection Deadline").

HEARING ON THE MOTION WILL BE HELD ON \_\_\_\_\_, 2009 at \_\_\_\_\_M. PREVAILING EASTERN TIME BEFORE THE HONORABLE MARY J. WALRATH, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF \_\_\_\_\_

<sup>1</sup> A copy of the Motion was previously served. The Motion is available on CM/ECF or Movant can provide you with an additional copy upon request to \_\_\_\_\_ at \_\_\_\_\_.

DELAWARE, 824 NORTH MARKET STREET, FIFTH FLOOR, COURTROOM 4,  
WILMINGTON, DELAWARE.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE  
COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT  
FURTHER NOTICE OR HEARING.

Dated: February 24, 2009  
Wilmington, Delaware

RICHARDS, LAYTON & FINGER P.A.

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Counsel for the Ad Hoc Committee of Secured Noteholders