

Hearing Date and Time: August 12, 2021, at 10:00 a.m. (prevailing Eastern Time)
Objection Date and Time: August 5, 2021, at 4:00 p.m. (prevailing Eastern Time)

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Special Aviation Counsel for Grupo Aeroméxico, S.A.B. de C.V., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
GRUPO AEROMÉXICO, S.A.B. de C.V., et	:	Case No. 20-11563 (SCC)
al.,	:	
	:	(Jointly Administered)
Debtors.¹	:	
-----X	:	

**SUMMARY COVER SHEET FOR THIRD INTERIM FEE APPLICATION OF
WHITE & CASE LLP, AS SPECIAL AVIATION COUNSEL TO THE DEBTORS,
FOR ALLOWANCE AND PAYMENT OF COMPENSATION FOR
PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT
OF ACTUAL AND NECESSARY EXPENSES INCURRED FROM
JANUARY 1, 2021 THROUGH AND INCLUDING APRIL 30, 2021**

¹ The Debtors in these cases, along with each Debtor's registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de México, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors' corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

Name of Applicant:	White & Case LLP
Authorized to Provide Professional Services as:	Special Aviation Counsel to the Debtors
Name of Client:	Grupo Aeroméxico, S.A.B. de C.V., <i>et al.</i>
Time Period Covered by this Application:	January 1, 2021 through April 30, 2021
Total Compensation Requested:	\$4,005,302.00
Total Expenses Requested:	\$1,682.91
Petition Date:	June 30, 2020
Retention Date:	<i>Nunc pro tunc</i> to June 30, 2020
Date of Order Approving Employment:	September 23, 2020
Blended rate in this application for all Partners, of Counsel, and Associates:	\$1,027
Blended rate in this application for all timekeepers:	\$1,006
Compensation sought in this application already paid pursuant to a monthly compensation order but not yet allowed:	\$1,909,357.50
Expenses sought in this application already paid pursuant to a monthly compensation order but not yet allowed:	\$1,352.86
Number of professionals included in this application:	27
Number of professionals billing fewer than 15 hours during this period:	6

SUMMARY OF FEE STATEMENTS OF WHITE & CASE LLP

Date Filed/ Docket No.	Period Covered	Total Fees Requested	Total Expenses Requested	Total Fees and Expenses Requested	Fees Paid	Expenses Paid	Total Balance Remaining to be Paid
03/04/2021 D.I. 945 (Third Interim Compensation Period)	1/01/2021- 1/31/202	\$477,316.00	\$624.56	\$477,940.56	\$381,852.80	\$624.56	\$95,463.20
04/09/2021 D.I. 1067 (Third Interim Compensation Period)	2/01/2021- 2/28/2021	\$625,309.50	\$95.90	\$625,405.40	\$500,248.10	\$95.90	\$125,061.40
05/13/2021 D.I. 1185 (Third Interim Compensation Period)	3/01/2021- 3/31/2021	\$1,284,070.50	\$632.40	\$1,284,702.90	\$1,027,256.60	\$632.40	\$256,813.90
05/27/2021 D.I. 1235 (Third Interim Compensation Period)	4/01/2021- 4/30/2021	\$1,618,606.00	\$330.05	\$1,618,936.05	N/A ²	N/A	\$1,295,478.89 ³
TOTAL		\$4,005,302.00	\$1,682.91	\$4,006,984.91	\$1,909,357.50	\$1,352.86	\$1,772,817.39⁴

² The objection deadline for the Ninth Monthly Fee Statement (defined below) has not expired as of the date hereof.

³ While no amounts have been collected on account of the Ninth Monthly Fee Statement, White & Case anticipates receiving reimbursement for its expenses and the portion of its fees in accordance with the Interim Compensation Order prior to the hearing on this matter. White & Case reserves the right to revise, amend, or otherwise modify these figures on account of amounts actually received.

⁴ This amount does not include the \$111,734.70 that remains outstanding in accordance with the *Omnibus Order Granting Applications for Allowance of Interim Compensation and Reimbursement of Expenses* [Docket No. 673], entered on November 30, 2020.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	:
GRUPO AEROMÉXICO, S.A.B. de C.V., et	:
al.,	:
	:
Debtors.⁵	:
-----X	

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**THIRD INTERIM FEE APPLICATION OF WHITE & CASE LLP,
AS SPECIAL AVIATION COUNSEL TO THE DEBTORS,
FOR ALLOWANCE AND PAYMENT OF COMPENSATION
FOR PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF
ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD FROM
JANUARY 1, 2021 THROUGH AND INCLUDING APRIL 30, 2021**

TO THE HONORABLE SHELLEY C. CHAPMAN,
UNITED STATES BANKRUPTCY JUDGE:

White & Case LLP (“**White & Case**”), special aviation counsel to the Debtors in the above-captioned chapter 11 proceedings, hereby submits this third interim application (the “**Application**”) seeking (a) the allowance of interim compensation in the aggregate amount of \$4,005, 302.00 in fees for reasonable and necessary professional services performed by White & Case for the Debtors during the period commencing January 1, 2021 through and including April 30, 2021 (the “**Compensation Period**”), (b) reimbursement of actual and necessary expenses in the aggregate amount of \$1,682.91 incurred by White & Case in connection with such services during the Compensation Period, and (c) authority to receive the outstanding fees and expense reimbursement payments in the amount of \$4,006,984.91. In support of this Application, White

⁵ The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de México, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

& Case submits the declaration of Christian Hansen, a partner at White & Case (the “**Declaration in Support**”), which is attached hereto as **Exhibit A** and incorporated by reference herein. In support of the Application, White & Case respectfully represents as follows:

Jurisdiction and Venue

1. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The legal statutory basis for relief requested herein are sections 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) with guidance from General Order M-447, the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York promulgated pursuant to Local Bankruptcy Rule 2016-1(a) (as updated February 5, 2013)* (the “**Local Guidelines**”) and the *United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases, effective as of November 1, 2013* (the “**U.S. Trustee Guidelines**,” and together with the Local Guidelines, the “**Fee Guidelines**”), and the Court’s Interim Compensation Order (as defined below).¹

¹ Capitalized terms not defined herein shall have the meanings ascribed to them (including by reference) in the Interim Compensation Order.

Background

A. The Debtors' Chapter 11 Cases

3. On June 30, 2020 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Debtors are authorized to continue to operate their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

4. The Debtors' Chapter 11 Cases have been jointly administered for procedural purposes only, pursuant to Bankruptcy Rule 1015(b).

5. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Ricardo Javier Sánchez Baker in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* [Docket No. 20] (the “**Sánchez Baker Declaration**”) and the *Declaration of Alejandro Sainz in Support of the Debtors' Chapter 11 Petitions and Certain of the First Day Pleadings* [Docket No. 21] (the “**Sainz Declaration**” and, together with the Sánchez Baker Declaration, the “**First Day Declarations**”).

B. Retention of White & Case LLP as Special Counsel

6. As discussed in the Retention Application (as defined below), White & Case has represented certain of the Debtors on an ongoing basis since 1991 with respect to various aviation matters, including, but not limited to, aircraft financing and leasing transactions in the ordinary course of the Debtors' business.

7. On July 30, 2020, the Debtors filed the *Application of Debtors Pursuant to 11 U.S.C. § 327(e) and Fed. R. Bankr. P. 2014 and 2016 Authorizing Debtors to Retain White &*

Case LLP as Special Counsel Nunc Pro Tunc to the Petition Date [Docket No. 218] (the “**Retention Application**”), seeking approval of the retention of White & Case as special counsel pursuant to the terms of that certain engagement letter dated as of August 7, 2015 (the “**Engagement Letter**”). A copy of the Engagement Letter is attached hereto as **Exhibit B**.

8. On September 23, 2020, the Court authorized the employment and retention of White & Case as special counsel to the Debtors *nunc pro tunc* to the petition date [Docket No. 456] (the “**Retention Order**”), a copy of which is attached hereto as **Exhibit C**. Accordingly, White & Case has been retained as one of the Debtors’ Professionals within the meaning of the Interim Compensation Order.

9. As described more fully below, White & Case has, pursuant to the terms of its retention, assisted the Debtors with various aviation related matters. These include, among other things, the use of rights to acquire aircraft as collateral in connection with debtor-in-possession financing, negotiating the terms of stipulations and redelivery procedure agreements with aircraft lessors, advising on matters related to aircraft purchase contracts and financing arrangements, and various other matters in or related to the Chapter 11 Cases to the extent necessary and as requested by the Debtors, or through their lead counsel, Davis Polk & Wardwell LLP.

10. A summary of the hours expended by each White & Case professional who rendered services to the Debtors during the Compensation Period, their practice group, respective hourly rates, and year of bar admission for each White & Case attorney is attached hereto as **Exhibit D**. A summary of the amount of compensation requested for the services rendered by White & Case on behalf of the Debtors during the Compensation Period organized by project category is attached hereto as **Exhibit E**. Detailed narratives of the work performed by White & Case during the Compensation Period are attached hereto as **Exhibit F**. White & Case has

developed a staffing plan to the Debtors, identifying the core team of professionals who are expected to be working on the case. A copy of the staffing plan is attached hereto as **Exhibit G**.

11. Pursuant to the Retention Application, the standard hourly rates in 2021 were:

<u>Billing Category</u>	<u>Range</u>
Partners	\$1,200 to \$1,390 per hour
Associates	\$635 to \$1,085 per hour
Paraprofessionals	\$330 to \$385 per hour

C. Interim Compensation and Payments Received

12. On September 8, 2020, the Court entered the *Order Pursuant to 11 U.S.C. §§ 105(A) and 331 Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 360] (the “**Interim Compensation Order**”).

13. On March 4, 2021, White & Case filed and served its *Sixth Monthly Statement of White & Case LLP as Special Aviation Counsel to the Debtors for Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred from January 1, 2021 through and including January 31, 2021* [Docket No. 945] (the “**Sixth Monthly Fee Statement**”) for the Compensation Period on the notice parties.

14. On April 9, 2021, White & Case filed and served its *Seventh Monthly Statement of White & Case LLP as Special Aviation Counsel to the Debtors for Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred*

from February 1, 2021 through and including February 28, 2021 [Docket No. 1067] (the “**Seventh Monthly Fee Statement**”) for the Compensation Period on the notice parties.

15. On May 13, 2021, White & Case filed and served its *Eighth Monthly Statement of White & Case LLP as Special Aviation Counsel to the Debtors for Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred from March 1, 2021 through and including March 31, 2021* [Docket No. 1185] (the “**Eighth Monthly Fee Statement**”) for the Compensation Period on the notice parties.

16. On May 27, 2021, White & Case filed and served its *Ninth Monthly Statement of White & Case LLP as Special Aviation Counsel to the Debtors for Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred from April 1, 2021 through and including April 30, 2021* [Docket No. 1235] (the “**Ninth Monthly Fee Statement**”) for the Compensation Period on the notice parties.²

17. Any amounts paid in respect of the monthly statements submitted by White & Case are subject to a 20% holdback as provided for in the Interim Compensation Order. The aggregate amount of White & Case’s holdback during the Compensation Period is \$801,125.71.³

18. As of the filing of this Application, White & Case has not received payments from the Debtors on account of its Ninth Monthly Fee Statement, but anticipates receiving payments on account of the same upon the passing of the Objection Deadline and prior

² The objection period for White & Case’s Ninth Monthly Fee Statement for the time charged and expenses incurred in Compensation Period has not yet expired.

³ This amount reflects \$95,463.20 for January 2021, \$125,061.40 for February 2021, \$256,813.90 for March 2021, and an anticipated amount of \$323,787.21 for April 2021.

to the hearing to approve the Application.⁴ White & Case's detailed time records for the Compensation Period are attached hereto as **Composite Exhibit H**.

19. This is White & Case's third application for allowance of interim compensation for services rendered and for reimbursement of expenses.

D. Disbursements and Expenses

20. During the Compensation Period, White & Case has incurred actual and necessary expenses in the amount of \$1,682.91 in connection with rendering legal services to the Debtors as special aviation counsel. An itemization of these expenses is attached hereto as **Exhibit I**. The expenses reflect White & Case's direct costs, and are not incorporated into the White & Case hourly fees.

21. White & Case respectfully submits that the actual expenses incurred in providing legal services on each special matter for which reimbursement is sought in this Application were necessary, reasonable, and justified in the circumstances of these cases to serve the needs of the Debtors.

Relief Requested

22. By this Application, White & Case seeks interim approval of \$4,005,302.00 in fees calculated at the applicable guideline hourly billing rates as compensation for professional services rendered and reimbursement of \$1,682.91 as actual and necessary expenses incurred during the Compensation Period.⁵

⁴ Assuming no objections are filed, White & Case expects to receive on an interim basis \$323,787.21 in fees (representing 80% of \$1,618,936.05) and \$1,682.91 in expenses (representing 100% of the expenses requested), in connection with the Ninth Monthly Fee Statement.

⁵ The total amount sought for fees and expenses reflects voluntary reductions for the Compensation Period of \$237,699.50 in fees, approximately a 5.9 % reduction.

Reasonableness of Fees and Disbursements

23. Section 330 of the Bankruptcy Code authorizes the Court to award “reasonable compensation for actual, necessary services rendered by the . . . professional person.” 11 U.S.C. § 330. White & Case respectfully submits that its request for an interim award of compensation for the Compensation Period satisfies that standard.

24. In accordance with section 330 of the Bankruptcy Code, the amount requested herein by White & Case is fair and reasonable in light of (a) the nature of the Chapter 11 cases, requiring aviation expertise, (b) the time and labor required to effectively provide aviation counsel to the Debtors, (c) the specialized nature and extent of the services rendered, (d) White & Case’s experience, reputation, and ability, (e) the value of White & Case’s services, and (f) the cost of comparable services outside of cases under the Bankruptcy Code.

Nature of the Services Provided in the Chapter 11 Cases

25. As discussed above, White & Case professionals performed legal work for the Debtors in connection with aviation related matters. White & Case has provided legal counsel regarding: (i) the aircraft owned by the Debtors, including the financing of such aircraft and any debtor-in-possession financing, and any restructuring, negotiating and termination of such financings, (ii) aircraft leased by the Debtors, including the lease documentation relating to such aircraft, including the restructuring, negotiating, and termination of such leases, (iii) any contracts relating to the purchase of aircraft by the Debtors, including the financing of such orders and any restructuring, negotiating and termination of such financings and/or order contracts, (iv) necessary applications, motions, complaints, answers, orders, reports, and other pleadings, and documents, in connection with the foregoing, and (v) certain other matters in or related to the Chapter 11 Cases to the extent necessary and as requested by the Debtors, including, but not limited to, the Debtors’

aircraft, leases, secured financing facilities, ongoing operations and related issues, as well as general aviation and asset related assistance.

26. Given the variety of complex issues that arose in the course of these Chapter 11 Cases, there were circumstances where a number of White & Case professionals needed to participate in discussions, negotiations, and strategy meetings. White & Case believes that it has, through the summaries contained in this Application and the time entries attached to the Monthly Fee Statements, sufficiently articulated the need for such participation.

Compliance with Guidelines

27. White & Case believes that this Application, including the certification contained in the Declaration in Support and the information in the other exhibits attached hereto, complies in all material respects with the Fee Guidelines. To the extent this Application does not comply in every respect with the requirements of such Fee Guidelines, White & Case respectfully requests a waiver for any such technical non-compliance.

No Prior Request

28. No prior request for the relief sought herein has been made to this Court or any other court.

Notice

1. Notice of this Application shall be given upon the following parties (the “**Application Recipients**”): (i) Grupo Aeroméxico, S.A.B. de C.V., Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500, Attn.: Daniel Martinez Martinez and Patricia Bobadilla, Email: dmartinezm@aeromexico.com, mbobadilla@aeromexico.com; (ii) counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn.: Timothy Graulich and Stephen Piraino, Email:

timothy.graulich@davispolk.com, stephen.piraino@davispolk.com; (iii) counsel to the Committee, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019, Attn.: Brett Miller, Todd Goren, Erica Richards and Benjamin Butterfield, Email: brettmiller@mofo.com, tgoren@mofo.com, erichards@mofo.com, bbutterfield@mofo.com; (iv) the Office of the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn.: Andrea Beth Schwartz, Email: andrea.b.schwartz@usdoj.gov; and (v) Counsel to the DIP Lender, Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, NY 10006, Attn.: Richard J. Cooper, Luke A. Barefoot, Thomas S. Kessler, Email: rcooper@cgsh.com, lbarefoot@cgsh.com, tkessler@cgsh.com.

Conclusion

WHEREFORE, White & Case respectfully requests entry of an order (a) awarding White & Case compensation for professional services provided during the Compensation Period in the amount of \$, and reimbursement of actual, reasonable and necessary expenses incurred in the Compensation Period in the amount of \$; (b) authorizing and directing the Debtors to remit payment to White & Case for such fees and expenses; and (c) granting any such other relief that is necessary or appropriate.

Dated: June 18, 2021
New York, New York

Respectfully submitted.

WHITE & CASE LLP

/s/ John K. Cunningham

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