

Hearing Date and Time: November 16, 2021 at 11:00 a.m. (EDT)
Objection Deadline: November 9, 2021 at 4:00 p.m. (EDT)

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*Special Mexican Counsel to the Debtors
and Debtors in Possession*

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

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et al.,
Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**COVER SHEET TO THE THIRD INTERIM APPLICATION OF SAINZ
ABOGADOS, S.C. FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS SPECIAL MEXICAN
COUNSEL TO THE DEBTORS AND DEBTORS IN POSSESSION FOR THE
PERIOD FROM MAY 1, 2021 THROUGH SEPTEMBER 30, 2021**

In accordance with Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, incorporating the *Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases* [General Order M-447], among other guidelines (the “**Local Guidelines**”) and the *Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Monthly and Interim Compensation and Reimbursement of*

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.

Expenses for Retained Professionals [ECF No. 360] (the “**Interim Compensation Order**”), Sainz Abogados, S.C. (“**Sainz Abogados**”), special Mexican counsel to the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), submits this summary (this “**Summary**”) of fees and expenses sought as actual and necessary in the fee application to which this Summary is attached (the “**Application**”) for the period of May 1, 2021 through September 30, 2021 (the “**Fee Period**”).

General Information

Name of Applicant:	Sainz Abogados, S.C. Special Mexican Counsel to the Debtors and Debtors in Possession
Authorized to Provide Services to:	Grupo Aeroméxico, S.A.B. de C.V., <i>et al.</i>
Petition Date:	June 30, 2020
Retention Date:	March 19, 2021 <i>nunc pro tunc</i> to November 1, 2020
Date of Order Approving Retention:	March 19, 2021 [ECF No. 1008]

Summary of Fees and Expenses Requested for the Compensation Period

Time Period Covered by This Application:	May 1, 2021 through September 30, 2021
Total Compensation Requested:	\$1,115,060.44 – Valued Added Tax included
Total Expenses Requested:	\$0.00
Total Compensation and Expenses Requested:	\$1,115,060.44 – Valued Added Tax included

Summary of Past Requests for Compensation and Prior Payments

Compensation Sought in This Application \$0.00
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:

Expenses Sought in This Application \$0.00
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:

Total Compensation and Expenses \$0.00
Sought in This Application Already Paid
Pursuant to a Compensation Order but
Not yet Allowed:

Blended Rate in This Application for All \$272.66
Partners, of Counsel, and Associates:

Blended Rate in This Application for All \$225.86
Timekeepers:

Number of Professionals Included in 19
This Application:

Difference Between Fees Budgeted and N/A
Compensation Sought for This Period:

Number of Professionals Billing Fewer 10
Than 15 Hours During This Period:

Increase in Rates Since Date of Retention: N/A

Increase in Rates Since Date of Retention: N/A

This is a(n): ___ monthly x interim ___ final application

Summary of Prior Monthly Fee Statements of Sainz Abogados, S.C.

Period Covered and ECF No.	Total Fees Requested	Total Expenses Requested	Total Fees and Expenses Requested	Fees Paid	Expenses Paid	Total Balance Remaining to be Paid
05/1/21-05/31/21 [ECF No. 1376]	\$167,298.68	\$0.00	\$167,298.68	\$133,838.94	\$0.00	\$33,459.74
06/1/21-06/30/21 [ECF No. 1486]	\$254,753.40	\$0.00	\$254,753.40	\$203,802.72	\$0.00	\$50,950.68
07/1/21-07/31/21 [ECF No. 1662]	\$247,889.68	\$0.00	\$247,889.68	\$198,311.74	\$0.00	\$49,577.94
08/1/21-08/31/21 [ECF No. 1797]	\$196,841.56	\$0.00	\$196,841.56	\$0.00	\$0.00	\$196,841.56
09/1/21-09/30/21 [ECF No. 1950]	\$248,277.12	\$0.00	\$248,277.12	\$0.00	\$0.00	\$248,277.12
Totals	\$1,115,060.44	\$0.00	\$1,115,060.44	\$535,953.40	\$0.00	\$579,107.04

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**UNITED STATES BANKRUPTCY COURT
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In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et al.,
Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**THIRD INTERIM APPLICATION OF SAINZ ABOGADOS, S.C. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS SPECIAL MEXICAN COUNSEL TO THE
DEBTORS AND DEBTORS IN POSSESSION FOR THE PERIOD FROM
MAY 1, 2021 THROUGH SEPTEMBER 30, 2021**

Pursuant to sections 327, 330, and 331 of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, incorporating the *Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases* [General Order M-447], among other guidelines (the “**Local Guidelines**”), the United States Trustee’s *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expense filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective as of November 1, 2013 (the “**U.S. Trustee**

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.

Guidelines,” and together with the Local Guidelines, the “**Fee Guidelines**”), the *Order Authorizing Debtors to Employ and Retain Sainz Abogados, S.C. as Special Mexican Counsel for the Debtors Nunc Pro Tunc to November 1, 2020* [ECF No. 1008] (the “**Retention Order**”), and 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*, entered September 8, 2020 [ECF No. 360] (the “**Interim Compensation Order**”), Sainz Abogados, S.C. (“**Sainz Abogados**”), special Mexican counsel to the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), submits this *Third Interim Application for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period from May 1, 2021 through September 30, 2021* (this “**Application**”).² By this Application, Sainz Abogados seeks allowance of compensation for actual and necessary professional services rendered in the amount of \$1,115,060.44 that Sainz Abogados incurred in connection with such services. Sainz Abogados does not seek the reimbursement of expenses by this Application.

JURISDICTION

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. On June 30, 2020 (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections

² The period from May 1, 2021 through and including September 30, 2021, is referred to herein as the “**Fee Period**.”

1107(a) and 1108 of the Bankruptcy Code. On July 13, 2020, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**UCC**”) pursuant to section 1102 of the Bankruptcy Code [ECF No. 92]. No request has been made for the appointment of a trustee or examiner in these chapter 11 cases. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [ECF No. 30].

4. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the *Declaration of Ricardo Javier Sánchez Baker in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* [ECF No. 20] and the *Declaration of Alejandro Sainz in Support of the Debtors’ Chapter 11 Petitions and Certain of the First Day Pleadings* [ECF No. 21], both filed on July 1, 2020.

5. On September 8, 2020, the Court entered the Interim Compensation Order, which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in these cases.

SAINZ ABOGADOS’ RETENTION

6. On March 19, 2021, the Court entered the *Order Authorizing Debtors to Employ and Retain Sainz Abogados, S.C. as Special Mexican Counsel for the Debtors Nunc Pro Tunc to November 1, 2020* [ECF No. 1008] (the “**Retention Order**”) authorizing Sainz Abogados’ retention by the Debtors. The Retention Order, attached hereto as **Exhibit B** and incorporated herein by reference, allows the Debtors to compensate and reimburse Sainz Abogados in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, and the Interim Compensation Order.

7. The Retention Order also authorizes the Debtors to compensate Sainz Abogados at its hourly rates charged for services of this type and for the firm's actual, necessary expenses incurred in connection with such services rendered during the Fee Period. Among other things, it permits Sainz Abogados to render the following services:

- a. All Mexican law aspects of the cross-border restructuring of the Debtors, including but not limited to legal advice related to the past, present and future operations and transactions of the Debtors with Mexican creditors, vendors and suppliers, Mexican authorities and regulators, labor authorities, unions, and counterparties, and all required corporate actions, to continue their operations in Mexico and to effectuate the scope and effects of the Chapter 11 proceeding, as well as all legal support on Mexican law as it is required from time to time in the course of the Chapter 11 proceedings of the Debtors.

COMPENSATION PAID AND ITS SOURCES

8. All services during the Fee Period for which compensation is requested by Sainz Abogados were performed for or on behalf of the Debtors. Additionally, Sainz Abogados has not received any payment or promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with matters covered by this Application. A certification confirming Sainz Abogados' compliance with the Fee Guidelines is annexed hereto as **Exhibit A**.

9. To the extent that billable time or disbursement charges for services rendered or expenses incurred relate to the Fee Period, but were not processed prior to the preparation of this Fee Application, Sainz Abogados reserves the right to request compensation for such services and reimbursement of such expenses in a future fee application.

10. These professional services were rendered by Sainz Abogados' partners, associates and paraprofessionals from its various practice groups.

RELIEF REQUESTED

11. During the Fee Period, Sainz Abogados' professionals and paraprofessionals expended a total of 2,379.20 hours in connection with providing necessary services. Sainz Abogados has been able to efficiently provide services by utilizing the expertise of professionals and paraprofessionals within relevant practice groups to effectively advise the Debtors regarding discrete issues and ensuring that the level of seniority is commensurate with the assignment. Sainz Abogados, in connection with services rendered on behalf of the Debtors, respectfully requests allowance of reasonable compensation of such services rendered in the total amount of \$1,115,060.44 for the Fee Period. Annexed hereto as **Exhibit C** is a list of Sainz Abogados Professionals and paraprofessionals, the hourly rate charged for their services, the number of hours worked on this matter, and other pertinent information. **Exhibit D** annexed hereto is a list of the various categories and the total fees and total hours expended by subject matter category. Sainz Abogados maintains computerized, detailed time records of services rendered by its professionals and paraprofessionals. The detailed records for this Fee Period are annexed hereto as **Exhibit E**. Finally, Sainz Abogados developed a staffing plan to the Debtors, identifying the core team of professionals who worked on the case. A copy of the staffing plan is annexed hereto as **Exhibit F**.

CASE STATUS

12. On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors were able to smoothly transition into chapter 11 by obtaining vital first- and second-day relief and engaging in numerous discussions and negotiations with key lenders, lessors, vendors and customers. These discussions and the relief granted have

enabled the Debtors to continue to operate successfully and to preserve the value of the Debtors' enterprise while in chapter 11.

13. During the Fee Period, the Debtors continued to work diligently with key stakeholders and made significant progress toward their restructuring goals, including:

- a) obtaining authority to reject certain aircraft-related leases that were not necessary for the Debtors' continued operation or successful reorganization;
- b) negotiating finance stipulations with various lessors to Debtors' aircraft and related equipment;
- c) following up on several obligations to continue implementing and observing covenants of the Debtors' DIP Facility as well as defending the Debtors' rights under the DIP Credit Agreement and an intended notice of breach filed by the DIP Lenders;
- d) obtaining approval of a comprehensive settlements in connection with various facilities and bond issuance (CEBURES Mexican Bonds) relating to the Debtors' credit card receivables and following up with holders of such facilities and bond issuance regarding the negotiations and voting mechanism of a Restructuring Plan;
- e) drafting, analyzing and filing a motion for a key employee retention plan, while analyzing related and other employee compensation issues;
- f) assisting negotiations with the Debtors' labor unions and drafting related filings and disclosures;
- g) coordinating claims analysis, and drafting related documentation and notices;
- h) assuming certain essential agreements with improved terms, including in relation to certain airport, fuel and related service providers;
- i) seeking and negotiating approvals to implement a Restructuring Plan and Exit Financings, including several corporate actions required, as well as implementing Mexican regulatory actions to achieve the foregoing.
- j) analyzing intercompany transactions, related discussions with advisors, and drafting filings to facilitate court approval of such transactions;
- k) progressing negotiations with several of the Debtors creditors and partners in hopes of reaching resolution without the need for litigation to the benefit of all stakeholders;

- l) preparing for and successfully arguing numerous motions at multiple hearings; and
- m) addressing, and continue to address, extremely in-depth issues surrounding numerous diligence requests from various parties in interest while providing an ever-increasing volume of relevant information

14. As the foregoing summary demonstrates, the Debtors have accomplished a great deal during the Fee Period and continue to make progress on a number of different fronts.

SUMMARY OF SERVICES RENDERED

15. During the Fee Period, Sainz Abogados provided critical professional advice and other services, including with respect to complex issues involved in these chapter 11 cases. Summaries of significant services are detailed below in accordance with Sainz Abogados' internal system of project categories:

Airports

Fees: \$385.00, Total Hours 1.10

- Under this project category, Sainz Abogados assisted the Debtors with the fleet rationalization process and airport related matters, among other things. Specifically, Sainz Abogados advised on the relationship, agreements and operation status with several groups of airports.

Bonds and Insurance

Fees: 0.00, Total Hours: 0.00

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' bond issuances and insurance programs. Specifically, Sainz Abogados reviewed and provided comments on the surety bonds motion and final order and drafted communications with insurance brokers.

Corporate & Regulatory

Fees: \$235,484.50, Total Hours: 546.10

- Under this project category, Sainz Abogados assisted the Debtors with analysis and advice regarding corporate governance issues, legal issues, press releases, and reporting and accounting activities, among other things. Specifically, Sainz Abogados advised on press releases and the intercompany merger and followed up with the Debtors regarding general corporate matters, including Board and Restructuring Committee's meetings, agreements with shareholders and corporate approvals.

Credit Facilities

Fees: \$18,008.00, Total Hours: 45.30

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' credit agreements and facilities. Specifically, Sainz Abogados advised on drafting, documentation and implementation of various credit facilities.

DIP Financing

Fees: \$55,905.00, Total Hours: 163.20

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' debtor in possession financing (the "**DIP**"). Specifically, Sainz Abogados advised on drafting, compliance, fulfillment and implementation of the DIP Facility as well as the defense of the Debtors' rights against the DIP Lenders under the DIP Credit Agreement.

General Restructuring

Fees: \$345,470.50, Total Hours: 872.90

- Under this project category, Sainz Abogados assisted the Debtors with analysis and advice regarding the Debtors' restructuring. Specifically, Sainz Abogados provided comments and responded to issues relating to the bar date motion and claims process and prepared for and attended numerous meetings with professionals and advisors on case status and general case strategy.

Labor & Unions

Fees: \$22,814.00, Total Hours: 56.30

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' employees and unions. Specifically, Sainz Abogados assisted in negotiations with unions and reviewed and provided analysis with respect to severance issues and the KERP motion.

Litigation

Fees: \$825.00, Total Hours: 5.50

- Under this project category, Sainz Abogados assisted the Debtors with issues related to current and potential litigation. Specifically, Sainz Abogados reviewed and discussed the litigation in Mexico involving Deutsche Bank, the class action litigation and aircraft contract rejection damages.

Taxes

Fees: \$52,580.00, Total Hours: 124.90

- Under this project category, Sainz Abogados assisted the Debtors with tax issues.

UCC

Fees: \$54,583.00, Total Hours: 137.10

- Under this project category, Sainz Abogados assisted the Debtors with coordinating and communicating with the UCC on a variety of issues. Specifically, Sainz Abogados participated on numerous calls and coordination meetings with the Debtors, their advisors and the UCC to update on the current status of Mexican matters, including tax, labor and merger issues, and to formulate strategies.

Procurement

Fees: \$5,300.00, Total Hours: 21.20

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' executory contracts. Specifically, Sainz Abogados prepared a Q&A for webtool use in the rejection process of the Debtors' executory contracts and discussed with the Debtors issues related to their contracts.

Vendors

Fees: \$5,545.00, Total Hours: 20.40

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' customers and vendors. Specifically, Sainz Abogados participated on numerous calls with the Debtors and their advisors to formulate strategies with respect to various vendor issues.

Ad-Hoc Group

Fees: \$164,359.00, Total Hours: 385.20

- Under this project category, Sainz Abogados assisted the Debtors with issues related to the Debtors' Exit Debt Financing and Exit Equity Financing (the "**Exit Financing**") pursuant to certain negotiations with an ad hoc group of creditors and a certain group of interested investors (individually, per each group, as well as jointly between them, as a "**Joint Bidder**"). Specifically, Sainz Abogados advised on drafting, compliance, fulfillment and implementation of the Joint Bidders' commitment letters, term sheets and related agreements, information and documents.

ACTUAL AND NECESSARY EXPENSES

16. Sainz Abogados does not seek reimbursement of expenses by this Application.

**SAINZ ABOGADOS' REQUESTED COMPENSATION
AND REIMBURSEMENT SHOULD BE ALLOWED**

17. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered ... and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including –

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

18. The foregoing professional services were performed by Sainz Abogados in an efficient manner, were necessary and appropriate to the administration of these chapter 11 cases, and were in the best interests of the Debtors, their estates, and other parties in interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of the problems, issues, and tasks involved. As required by the U.S. Trustee Guidelines, annexed hereto as **Exhibit G** is a chart setting forth the comparative blended rates of the professionals and paraprofessionals who rendered services with a corresponding comparison of rates for professionals and paraprofessionals not involved in these chapter 11 cases.

NOTICE

19. The Debtors will provide notice of this Application in accordance with the Interim Compensation Order. The Debtors submit that no other or further notice be given.

WHEREFORE, Sainz Abogados, in connection with services rendered on behalf of the Debtors, respectfully requests allowance of reasonable compensation of such services rendered in the total amount of \$1,115,060.44.

Dated: October 25, 2021
Mexico City, Mexico

SAINZ ABOGADOS, S.C.

/s/ Alejandro Sainz O.

Alejandro Sainz O.

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