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**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)

**DEBTORS' REPLY TO LIMITED OBJECTION OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS TO CERTAIN MOTIONS**

Grupo Aeroméxico, S.A.B. de C.V. and certain of its affiliates (collectively, the “**Debtors**”), each of which is a debtor and debtor in possession in the above-captioned chapter 11 cases, hereby file this reply to the Official Committee of Unsecured Creditors’ (the “**Committee**”) limited objection (the “**Limited Objection**”) [ECF No. 2107] to (a) the *Debtors’ Motion for Entry of an Order (I) Authorizing Debtor Aerolitoral, S.A. de C.V. to Assume that Certain Pool Agreement and (II) Approving the Claims Settlement with Embraer Aircraft Customer Services, LLC* [ECF No. 2025], (b) the *Debtors’ Motion for Entry of an Order*

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 Mexico, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and 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.

(I) Authorizing Debtor Aerovías de México, S.A. de C.V. to Assume (on an Amended Basis) Certain Lease Agreements and (II) Approving the Claims Settlement with BOC Aviation (Ireland) Limited and Related Parties [ECF No. 2028], and (c) *the Debtors’ Motion for Entry of an Order (I) Authorizing Debtor Aerovías de México, S.A. de C.V. to Assume (on an Amended Basis) that Certain Lease Agreement and (II) Approving the Claims Settlement with Aergen Aircraft Sixteen Limited* [ECF No. 2039] (collectively, the “**Motions**”), and respectfully state as follows:²

Reply

1. The Limited Objection represents the latest (and hopefully last) salvo in the Committee’s ongoing crusade against both the members of its own constituency and the Debtors’ efforts to successfully and efficiently emerge from chapter 11.

2. As part of the Debtors’ claims reconciliation and lease restructuring processes, the Debtors have negotiated plan support provisions with certain individual claimants (all of whom are unsecured creditors and whose interests the Committee ostensibly represents). The Debtors, however, did not condition these transactions or claims settlements on the inclusion of the Complying Plan Term. In fact, most claimants or lessors that negotiated lease restructurings or claims settlements did not agree to such term and the Debtors nonetheless agreed to those claims. [ECF Nos. 1572–73, 1659, 1693, 1740, 1759, 1932, 1941, 2024, 2043, 2046, 2068].

3. Furthermore, some of the claim settlement discussions even predate the existing proposed chapter 11 plan currently on file [ECF No. 1896], and all were intentionally designed to be neutral to *any* chapter 11 plan that the Debtors could propose; *provided*, that such plan treats

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in a Motion or the Limited Objection, as applicable.

the claimants' allowed claims consistent with the provisions of the Bankruptcy Code and no worse than other similarly situated claims. This dynamic allowed the Debtors to engage directly with its creditor constituency and facilitated a competitive process to play out regarding specific provisions of the chapter 11 plan. No process could have been more even-handed, and it has already resulted in (a) Court orders reflecting almost \$750 million in general unsecured claims supporting a Complying Plan [ECF Nos. 1101, 1894, 1936, 1939, 2004, 2006] as well as (b) the claimants in the Motions agreeing to vote their \$40+ million in general unsecured claims in support of a Complying Plan. This broad-based support reflects an obvious reality—substantial creditors simply want to move forward and allow the Debtors to emerge from chapter 11 as a strong global airline and, as a result, they are willing to coalesce and support any confirmable chapter 11 plan that abides by the claims treatment provisions of the Bankruptcy Code.

4. Finally, the Court is not being asked to authorize or compel unwilling claimants to provide plan support.³ To the contrary, the claimants have already willingly agreed to this term and the Proposed Orders put subsequent purchasers of the claims on notice of the claimants' contractual agreements to support a Complying Plan. Accordingly, the Motions are in no way deficient in this regard and the Committee's suggestion to file new motions is, therefore, as nonsensical as it would be wasteful.

Conclusion

5. The Debtors cannot fathom why the Committee is expending limited estate resources to resist consensual agreements entered into by the very creditors whose interest they represent. It is time for the Committee to let the creditors decide matters for themselves. To quote

³ The Committee does not oppose the economic substance of the transactions or claims settlements described in the Motions.

the Committee, “only creditors themselves should control how they vote on a chapter 11 plan,” *see* Limited Objection, ¶ 4, n.4, and the unsecured creditors who are party to the Claims Settlements in the Motions have done just that by voluntarily agreeing to support a Complying Plan proposed by the Debtors.

6. Based on the foregoing, the Debtors request that the Court overrule the Limited Objection and enter the Proposed Orders, as originally filed, approving the Motions.

Dated: November 14, 2021
New York, New York

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