

Hearing Date and Time: TBD (ET)
Objection Deadline: TBD (ET)

DE LA VEGA & MARTINEZ ROJAS S.C.
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*Special Labor 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 SECOND INTERIM APPLICATION OF DE LA VEGA
& MARTINEZ ROJAS, S.C. FOR COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
SPECIAL LABOR COUNSEL TO THE DEBTORS AND
DEBTORS IN POSSESSION FOR THE PERIOD FROM
JUNE 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**”), De la Vega & Martinez Rojas, S.C. (“**De la Vega & Martinez Rojas**”), special labor 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 June 1, 2021 through September 30, 2021 (the “**Fee Period**”).²

General Information

Name of Applicant:	De la Vega & Martinez Rojas, S.C. Special Labor 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:	July 21, 2021 <i>nunc pro tunc</i> to April 30, 2021
Date of Order Approving Retention:	July 21, 2021 [ECF No. 1457]

Summary of Fees and Expenses Requested for the Compensation Period

Time Period Covered by This Application:	June 1, 2021 through September 30, 2021
Total Compensation Requested:	\$686,575.95 ³ – Valued Added Tax included
Total Expenses Requested:	\$983.00

² The “**Fee Period**” includes mostly fees from the period from June 1, 2021 through and including September 30, 2021, but also includes unpaid fees and expenses De la Vega & Martinez Rojas incurred during the period De la Vega & Martinez Rojas was retained as an ordinary course professional.

³ This reflects a reduction of \$33,929.25 from the total compensation requested in the *Second Monthly Fee Statement of De la Vega & Martinez Rojas S.C. for Compensation for Services and Reimbursement of Expenses Incurred as Special Mexican Counsel to the Debtors and Debtors in Possession for the Period from June 1, 2021 through June 30, 2021* [ECF No. 1762] (the “**June Fee Statement**”) for fees incurred before June 30, 2020 (the “**Petition Date**”) that were inadvertently included in the June Fee Statement.

Total Compensation and Expenses \$687,558.95 – Valued Added Tax included
Requested:

Summary of Past Requests for Compensation and Prior Payments

Compensation Sought in This Application \$541,526.67
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:

Expenses Sought in This Application \$786.40
Already Paid Pursuant to a Compensation
Order but Not yet Allowed:

Total Compensation and Expenses \$542,313.08
Sought in This Application Already Paid
Pursuant to a Compensation Order but
Not yet Allowed:

Summary of Rates and Other Related Information for the Compensation Period

Blended Rate in This Application for All \$315
Partners, of Counsel, and Associates:

Blended Rate in This Application for All \$315
Timekeepers:

Number of Professionals Included in 25
This Application:

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

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

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 De la Vega & Martinez Rojas, 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
06/01/21-06/30/21 [ECF No. 1762]	\$571,511.49 ⁴	\$983.00	\$572,494.49	\$484,352.59	\$786.40	\$87,355.50
07/01/21-07/31/21 [ECF No. 1907]	\$34,203.76	\$0	\$34,203.76	\$27,363.01	\$0.00	\$6,840.75
08/01/21-08/31/21 [ECF No. 1957]	\$37,263.84	\$0	\$37,263.84	\$29,811.07	\$0.00	\$7,452.77
09/01/21-09/30/21 [ECF No. 1996]	\$43,596.86	\$0	\$43,596.86	\$0.00	\$0.00	\$43,596.86
Totals	\$686,575.95	\$983.00	\$687,558.95	\$541,526.67	\$786.40	\$145,245.88

⁴ This reflects a reduction of \$33,929.25 from the total compensation requested in the June Fee Statement for fees incurred before the Petition Date that were inadvertently included in the June Fee Statement.

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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)

**SECOND INTERIM APPLICATION OF DE LA VEGA & MARTINEZ ROJAS,
S.C. FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS SPECIAL LABOR
COUNSEL TO THE DEBTORS AND DEBTORS IN POSSESSION FOR THE
PERIOD FROM JUNE 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 the Employment and Retention of De la Vega & Martínez Rojas, S.C. as Special Labor Counsel for the Debtors Nunc Pro Tunc to April 30, 2021* [ECF No. 1457] (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**”), De la Vega & Martinez Rojas, S.C. (“**De la Vega & Martinez Rojas**”), special labor counsel to the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), submits this *Second Interim Application for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period from June 1, 2021 through September 30, 2021* (this “**Application**”).² By this Application, De la Vega & Martinez Rojas seeks allowance of compensation for actual and necessary professional services rendered in the amount of \$686,575.95³ and reimbursement of actual, necessary expenses that De la Vega & Martinez Rojas incurred in connection with such services in the amount of \$983.00, for an aggregate total of \$687,558.95.

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.

² The “**Fee Period**” includes mostly fees from the period from June 1, 2021 through and including September 30, 2021, but also includes unpaid fees and expenses De la Vega & Martinez Rojas incurred during the period De la Vega & Martinez Rojas was retained as an ordinary course professional.

³ This reflects a reduction of \$33,929.25 from the total compensation requested in the *Second Monthly Fee Statement of De la Vega & Martinez Rojas S.C. for Compensation for Services and Reimbursement of Expenses Incurred as Special Mexican Counsel to the Debtors and Debtors in Possession for the Period from June 1, 2021 through June 30, 2021* [ECF No. 1762] (the “**June Fee Statement**”) for fees incurred before the Petition Date that were inadvertently included in the June Fee Statement.

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 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.

DE LA VEGA & MARTINEZ ROJAS RETENTION

6. On July 21, 2021, the Court entered the Retention Order authorizing De la Vega & Martinez Rojas’ retention by the Debtors. The Retention Order, attached hereto as **Exhibit B** and incorporated herein by reference, allows the Debtors to compensate and reimburse De la Vega & Martinez Rojas 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 De la Vega & Martinez Rojas 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 De la Vega & Martinez Rojas to render the following services:

- a) Weekly review of the labor bulletin issued by the Federal and Local Board of Conciliation and Arbitration, in order to know the progress of the issues already existing as well as the most recent issues;
- b) Attention to Conciliation Summons before the Labor Defense Attorney's Office;
- c) Management of all individual labor lawsuits of Grupo Aeroméxico in Mexico, preparation of proof submission documents, incidents, objections, pleadings related to all individual labor trials of Grupo Aeroméxico and applicable communications with the Debtors regarding the same;
- d) Preparation of amparo proceedings, legal resources against resolutions, suspension requests and any other legal document necessary for the defense of the company's interests;
- e) Preparation and submission of memorandums and papers on relevant topics, new criteria, legal reforms, and any other, related to labor or social security matters;
- f) Strategic preparation of labor contract termination processes due to causes attributable to the employee;
- g) Coordination and execution of termination processes with executive's, unionized employee, as well as, mass terminations;
- h) Sending reports via email on the procedural status of the trials, preparation of hearings and legal proceedings as requesting information for defense preparation;
- i) Properly give notice about notifications, documents or any other important notice that the authority requires;
- j) Creating and sending reports on high-risk trials, in order to establish joint strategies and the possible creation of economic reserves;

- k) Preparation of documents answering the claim, evidence, allegations or any other necessary for the trial, including filing of constitutional appeals and/or appeals that the law contains;
- l) Collective bargaining agreement negotiations of Grupo Aeroméxico with unions (e.g., ASPA, ASSA, STIA and Independencia);
- m) Attention of conciliation process before the Federal Labor Authorities, such as the Ministry of Labor and the Conciliation and Arbitration Board;
- n) Attention to conciliatory talks in order to reach negotiations that benefit the interests of the client;
- o) Relief from daily consultations related to labor and/or labor union matters;
- p) Preparation and dispatch of letters from external auditors regarding litigation served by DLVMR;
- q) Legal counsel regarding the implementation of the new labor justice system in Mexico;
- r) Legal advice regarding the implementation of the new home office legislation;
- s) Legal counsel regarding the implementation of outsourcing;
- t) Legal advice on all matters related to the implementation of the new legal system on collective bargaining, freedom of association, effective collective bargaining and trade union democracy; and
- u) Training courses to Grupo Aeroméxico's legal relations team, in relation with the changes in the labor legislation and strategy development.

COMPENSATION PAID AND ITS SOURCES

8. All services during the Fee Period for which compensation is requested by De la Vega & Martinez Rojas were performed for or on behalf of the Debtors. Additionally, De la Vega & Martinez Rojas 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 De la Vega & Martinez Rojas' 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, De la Vega & Martinez Rojas 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 De la Vega & Martinez Rojas' partners, associates and paraprofessionals from its various practice groups.

RELIEF REQUESTED

11. During the Fee Period, De la Vega & Martinez Rojas' professionals and paraprofessionals expended a total of 2,167.50 hours in connection with providing necessary services. De la Vega & Martinez Rojas 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. De la Vega & Martinez Rojas, 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 \$686,575.95 for the Fee Period. Annexed hereto as **Exhibit C** is a list of De la Vega & Martinez Rojas 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. De la Vega & Martinez Rojas 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, De la Vega & Martinez Rojas 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;
- d) completing negotiations with the Debtors' labor unions and drafting related filings and disclosures;
- e) coordinating claims analysis, and drafting related documentation and notices;
- f) assuming certain essential agreements with improved terms, including in relation to certain airport, fuel and related service providers;
- g) seeking and negotiating approvals to implement a Restructuring Plan, including several corporate actions required, as well as implementing Mexican regulatory actions to achieve the foregoing;
- h) analyzing intercompany transactions, related discussions with advisors, and drafting filings to facilitate court approval of such transactions;

- i) 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; and
- j) 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, De la Vega & Martinez Rojas 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 De la Vega & Martinez Rojas' internal system of project categories:

Litigation

Fees: \$158,470.34 Total Hours: 757.80

- Under this project category, De la Vega & Martinez Rojas assisted the Debtors with settling and resolving labor disputes, including attending individual labor litigation filed by former employees.

Unions

Fees: \$394,443.08 Total Hours: 1,294.10

- Under this project category, De la Vega & Martinez Rojas assisted the Debtors with the negotiation and litigation of union related matters, including the negotiation of collective bargaining agreements.

Labor & Employment

Fees: \$34,282.50, Total Hours: 115.60

- Under this project category, De la Vega & Martinez Rojas assisted the Debtors with general labor advice and provided counsel about labor and social security matters.

ACTUAL AND NECESSARY EXPENSES

16. As set forth in **Exhibit G** hereto, De la Vega & Martinez Rojas has incurred or disbursed \$983.00 in expenses in providing professional services to the Debtors during the Fee Period. These expense amounts are intended to cover De la Vega & Martinez Rojas' direct

operating costs, which costs are not incorporated into De la Vega & Martinez Rojas' hourly billing rates. Only clients for whom the services are actually used are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would unfairly impose additional costs upon clients who do not require extensive photocopying, delivery, and other services.

17. De la Vega & Martinez Rojas has made every effort to minimize its expenses in these chapter 11 cases. The actual expenses incurred in providing professional services to the Debtors were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and other parties in interest.

**DE LA VEGA & MARTINEZ ROJAS' REQUESTED COMPENSATION
AND REIMBURSEMENT SHOULD BE ALLOWED**

18. 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).

19. The foregoing professional services were performed by De la Vega & Martinez Rojas 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 H** 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

20. 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.

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WHEREFORE, De la Vega & Martinez Rojas, 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 \$686,575.95 and reimbursement of actual and necessary expenses incurred in the amount of \$983, for an aggregate total of \$687,558.95.

Dated: December 9, 2021
Mexico City, Mexico

DE LA VEGA & MARTINEZ ROJAS, S.C.

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