

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**FIRST MONTHLY FEE STATEMENT OF SEABURY SECURITIES LLC AND
SEABURY INTERNATIONAL CORPORATE FINANCE LLC FOR COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTOR FROM
SEPTEMBER 4, 2021 THROUGH AND INCLUDING SEPTEMBER 30, 2021**

Dated: December 6, 2021
New York, New York

¹ The Debtor in this chapter 11 case, along with its registration number in the Philippines, is Philippine Airlines, Inc. Philippine Securities and Exchange Commission Registration No. PW 37. The Debtor's corporate headquarters is located at PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines.



211156921120600000000001

Name of applicant:	Seabury Securities LLC and Seabury International Corporate Finance LLC
Authorized to provide professional services to:	Philippine Airlines, Inc., Debtor and Debtor in Possession
Date of retention order:	October 26, 2021, <i>nunc pro tunc</i> to September 3, 2021
Period for which compensation and reimbursement is sought:	September 4, 2021 through September 30, 2021
Total fees requested in this Fee Statement:	\$400,000.00
Total fees requested in this Fee Statement less the 20% holdback:	\$320,000.00
Total expenses requested in this Fee Statement:	\$166.63
Total fees and expenses requested in this Fee Statement	\$400,166.63
Total fees and expenses requested in this Fee Statement (net of holdbacks):	\$320,166.63
This is a(n): <input checked="" type="checkbox"/> Monthly Application <input type="checkbox"/> Interim Application <input type="checkbox"/> Final Application	

Seabury Securities LLC and Seabury International Corporate Finance LLC (collectively, “**Seabury**”), financial advisor and investment banker to the above-caption debtor and debtor-in-possession (the “**Debtor**”) pursuant to this Court’s *Order Authorizing The Employment and Retention of Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker for the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [ECF No. 220] entered on October 26, 2021, hereby submits this *First Monthly Fee Statement of Seabury Securities LLC and Seabury International Corporate Finance LLC for Compensation for services Rendered and Reimbursement of Expenses Incurred as Financial Advisor and Investment Banker to the Debtor From September 4, 2021 Through and*

Including September 30, 2021 (this “**First Monthly Fee Statement**”), pursuant to sections 327, 328, 330 and 331 of title 11 of the United States Code, Rule 2016(a) of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases, and the *Order Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 125] entered on September 30, 2021 (the “**Interim Compensation Order**”), for allowance of compensation and reimbursement of expenses for the period of September 4, 2021 through and including September 30, 2021 (the “**First Monthly Period**”). By this First Monthly Fee Statement, Seabury seeks (i) compensation in the amount of \$320,000.00, which is equal to 80% of the total amount of reasonable compensation for actual, necessary financial advisor and investment banker services that Seabury provided to the Debtor during the First Monthly Period (*i.e.*, \$400,000.00) and (ii) reimbursement in the amount of \$166.63 for the actual, necessary expenses that Seabury incurred in connection with such services.

Itemization of Services and Disbursements Incurred

1. In support of this First Monthly Fee Statement, the following exhibits are attached:

- **Exhibit A** is a schedule of the total number of hours expended by Seabury employees during the First Monthly Period with respect to each of the subject matter categories Seabury established in accordance with its internal billing procedures.
- **Exhibit B** is a schedule providing certain information regarding the Seabury employees for whose work compensation is sought in this First Monthly Fee Statement, including positions, level of experience, and total hours spent working in this case during the First Monthly Period. Employees of Seabury

expended a total of 146 hours in connection with this case during the First Monthly Period.

- **Exhibit C** is a schedule setting forth the total amount of reimbursement sought with respect to each category of expenses for which Seabury is seeking reimbursement in this First Monthly Fee Statement. All of these amounts comprise the requested sum of Seabury's out-of-pocket expenses.
- **Exhibit D** consists of Seabury's detailed time records and expenses incurred in the First Monthly Period in the rendition of professional services to the Debtor.

Representations

2. Although every effort has been made to include all fees and expenses incurred by Seabury employees during the First Monthly Period, some fees and expenses might not be included in this First Monthly Fee Statement due to delays caused in connection with accounting and processing of such time and expenses. Accordingly, Seabury reserves the right to make further application to this Court for the allowance of such fees and expenses incurred during the First Monthly Period, but not included herein.

Notice and Objection Procedures

3. In accordance with the Interim Compensation Order, notice of this First Monthly Fee Statement shall be given by hand or overnight delivery upon the following parties (collectively, the "**Fee Notice Parties**"):

- (a) the Debtor c/o Philippine Airlines, Inc., PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines (Attn: Clara C. De Castro, Vice President of Legal Affairs; clara_decastro@pal.com.ph);
- (b) counsel for the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022 (Attn: Jasmine Ball, Nick S. Kaluk, III, Elie J Worenklein; jball@debevoise.com, nskaluk@debevoise.com, eworenklein@debevoise.com); and

- (c) the U.S. Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Attn: Susan A. Arbeit; Email: susan.arbeit@usdoj.gov).

4. Objections to this First Monthly Fee Statement, if any, must be served by the objection deadline upon Seabury Securities LLC, 1350 Avenue of the Americas, 31st Floor, New York, NY 10019 (Attn: Douglas Walker; dwalker@seaburysecurities.com), no later than December 21, 2021 at 12:00 p.m. (Prevailing Eastern Time) (the “**Objection Deadline**”). Objections to this First Monthly Fee Statement, if any, must set forth the nature of the objection and the specific amount of fees or expenses at issue.

5. If no objection to this First Monthly Fee Statement is received by the Objection Deadline, the Debtor shall promptly pay Seabury 80% of the fees and 100% of the expenses identified in this First Monthly Fee Statement. To the extent that an objection to this First Monthly Fee Statement is served by the Objection Deadline, the debtor shall withhold payment of that portion of this First Monthly Fee Statement to which the objection is directed and promptly pay the remainder of the fees and expenses in the percentages set forth above. To the extent such objection is not resolved in accordance with the Interim Compensation Order, it shall be preserved and scheduled for consideration at the next interim or final fee application hearing.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, Seabury respectfully requests (i) compensation in the amount of \$320,000, which is equal to 80% of the total amount of reasonable compensation for actual, necessary financial advisor and investment banker services that Seabury provided to the Debtor during the First Monthly Period, and (ii) reimbursement in the amount of \$166.63, which is equal to 100% of the actual, necessary expenses incurred by Seabury in connection with such services.

Dated: December 6, 2021
New York, New York

By: /s/ Douglas Walker
Douglas Walker

SEABURY SECURITIES LLC
SEABURY INTERNATIONAL CORPORATE FINANCE LLC
1350 Avenue of the Americas, 31st Floor
New York, NY 10019
Telephone: (212) 284-1150

*Financial Advisor and Investment Banker to the Debtor and
Debtor in Possession*

Exhibit A

Summary of Fees by Subject Matter

Project Category/Matter Description	Hours Billed
DIP and Exit Financing	49.5
Claims Analysis and Capitalization	3.5
Fleet Restructuring	18.5
Case Administration	59.5
Retention Application	15
Total	146

Exhibit B

Seabury Personnel Information

Name	Position	Total Hours Expended
Doug Walker	Managing Director	113
AJ Issenman	Director	3.5
Ken Raff	Director	6
Jeff Straebler	Consultant	23.5
	Total:	146

Exhibit C

Summary of Expenses Incurred During the First Monthly Period

Expense Category	Total Amount
Transportation to client meeting in NYC to prepare for first day hearing.	\$27
Breakfast meeting at Michael's in NYC with client attended by D. Walker, N. Rodriguez (PAL), and G. Santa Maria (PAL) to prepare for first day hearing.	\$139.63
Total:	\$166.63

Exhibit D

Records of Hours and Expenses Incurred During the First Monthly Period

D. Walker

Date	Hours	Category	Description
9/4	2.5	Case Admin	Multiple calls w/ PAL management and advisors regarding communications strategy re filing and next steps.
9/5	7	Case Admin	Review (2.0) and revise (3.5) first day pleadings, prep for first day hearing re possible testimony (1.5).
9/6	3.5	Case Admin	Participate in weekly working group call (1.5); further review first day pleadings and agreements (2.0).
9/7	6.5	Case Admin (4.5); Claims Analysis (2)	Legal prep call (1.5); multiple calls w/ key stakeholders ahead of hearing (3.0); calls with interested parties as to case details, claims, investment opportunities (2.0).
9/8	3.5	Case Admin	Additional prep for first day hearing, including reviewing final documents and talking points with PAL and other advisors.
9/9	6	Case Admin	Participate in prep meeting with PAL management (4.0); prepare for first day hearing (1.0); emails with PAL re first day hearing (1.0).
9/10	6	Fleet Restructuring (4.5); DIP & Exit (1.5)	Calls w/ key stakeholders re first day hearing (4.5); correspondence internally and with DIP lender counsel regarding collateral (1.5).
9/13	5	Case Admin	Discussions w/ PAL re UST reporting requirements (3.0); attend working group call (1.5); misc. client conversations (0.5).
9/14	8	Case Admin (4); DIP & Exit (4)	Attend exit kickoff teleconference (2.5); call with senior management re same (1.5); attend legal working group call (1.0); discussions and correspondence re same (3.0).
9/15	4.5	Retention Application	Discussions internally (4.0) and w/ D&P (.5) regarding application, conflicts searches, and related issues.

9/16	3.5	DIP & Exit (2); Retention (1.5)	Discussions w/ DIP lender regarding equity incentive plan (2.0); discussions internally regarding client database (1.5).
9/20	4	Case Admin	Working Group call (1.5); prep for same (2.5).
9/21	5	Case Admin (3); Fleet Rest (2)	Meetings w/ lessors (2.0); teleconferences w/ senior management (3.0).
9/22	5	DIP & Exit (2); Fleet Rest (3)	Correspondence re collateral (2.0); meetings w/ lessors (3.0).
9/23	5.5	DIP & Exit (3.5); Retention (2)	Exit term sheet call and prep therefor (3.5); correspondence w/ Debevoise & Plimpton re application (2.0).
9/24	6	DIP & Exit (2); Retention (2); Fleet Res (2)	Client calls re exit term sheet (2.0); internal and D&P calls re retention (2.0); lessor and lender calls regarding case progression (2.0).
9/25	3	Case Admin	Correspondence and discussions w/ interested parties (2.0); client calls re same (1.0).
9/26	3	DIP & Exit	Exit term sheet revisions.
9/27	7.5	Case admin (4.5); DIP & Exit (1); Retention (2)	Discussions with interested parties (2.5); attend working group call and prep therefor (2.0); TC w/ DIP counsel (1.0); correspondence w/ D&P and internal follow up re same (2.0).
9/28	6	Case admin (4); Fleet (1); Retention (1)	Attend senior management and legal working group calls (4.0); calls w/ several creditors re fleet restructuring (1.0); correspondence and discussions re UST client search request (1.0).
9/29	7.5	Case admin (1.5); DIP & Exit (5); Retention (1)	Revision and distribution of exit term sheet (5.0); conversations w/ PAL and advisors re same (1.5); calls and correspondence re retention application (1.0).
9/30	4.5	Case admin (3.5); Retention (1)	Attend second day hearing and prep therefor (3.5); D&P and internal calls re retention application (1.0).

A. Issenman

Date	Hours	Category	Description
9/14	1.5	DIP & Exit	Exit facility kickoff teleconference.
9/23	2	DIP & Exit	Exit term sheet call [partial] (1.5); internal discussion re same (.5).

K. Raff

Date	Hours	Category	Description
9/6	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/13	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/20	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/27	1.5	Fleet Restructuring	Participate in weekly internal working group call.

J. Straebler

Date	Hours	Category	Description
9/5	1.5	DIP & Exit Financing	Review cost savings data re public filings and media disclosures.
9/6	1.5	Claims Analysis & Exit Capitalization	Review claim calculations by MSN for updated first day filing.
9/9	1	DIP & Exit Financing	Review engine vs airframe relative value calculations for Exit Facility collateral.

9/13	1.5	DIP & Exit Financing	Review engine maintenance status information by PAL for Exit Facility collateral.
9/14	3	DIP & Exit Financing	Review serviceability of aircraft and engines to determine potential inclusion in Exit Facility (1.5); update half-life CMV chart to reflect current info per PAL (1.5).
9/14	6	DIP & Exit Financing	Review update of maintenance condition as of 1 Oct 2021 for potential inclusion as collateral for Exit Facility.
9/22	2.5	DIP & Exit Financing	Revise potential collateral package for exit facility.
9/23	3	DIP & Exit Financing	Conduct bottoms-up review of change in valuation of potential collateral package for Exit Facility.
9/25	1	DIP & Exit Financing	Conduct model review re exit facility.
9/26	0.5	DIP & Exit Financing	Review potential collateral for inclusion in exit facility.
9/27	1.5	DIP & Exit Financing	Review (.5) and comment on (1.0) Exit Facility, collateral file re PAL revisions.
9/29	0.5	DIP & Exit Financing	Review distribution of Exit Facility collateral file.