

Hearing Date and Time: December 16, 2020 at 11:00 a.m. (prevailing Eastern Time)
Objection Deadline: December 9, 2020 at 4 p.m. (prevailing Eastern Time)

Mark Somerstein
Michael G. McGovern
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

*Special Government Investigations
Counsel to the Debtors and Debtors in Possession*

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

-----X		
In re:	:	Chapter 11
	:	
AVIANCA HOLDINGS S.A., <i>et al.</i> , ¹	:	Case No. 20-11133 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**SUMMARY SHEET
FOR FIRST INTERIM APPLICATION OF ROPES & GRAY LLP
AS SPECIAL GOVERNMENT INVESTIGATIONS COUNSEL TO THE DEBTORS
FROM MAY 10, 2020 THROUGH AND INCLUDING SEPTEMBER 30, 2020**

¹ The Debtors in these chapter 11 cases, and each Debtor’s federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int’l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors’ principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.



In accordance with the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy Rules”), Ropes & Gray LLP (“Ropes & Gray”), special government investigations counsel for the above-captioned debtors and debtors in possession (collectively, the “Debtors”), submits this summary (this “Summary”) of fees and expenses sought as actual, reasonable, and necessary in the fee application to which this Summary is attached (the “Application”) for the period from May 10, 2020 through September 30, 2020 (the “First Interim Application Period”). Ropes & Gray submits the Application as an interim fee application in accordance with the Court’s *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on June 9, 2020 [Docket No. 256] (the “Interim Compensation Order”), which permits Ropes & Gray to file interim fee applications every four months.

Basic Information	
Name of Applicant:	Ropes & Gray LLP
Name of Client:	Avianca Holdings S.A. <i>et al.</i> , as debtors and debtors in possession
Petition Date:	May 10, 2020
Date of Order Approving Employment and Retention:	July 15, 2020, effective as of the Petition Date
This Interim Application	
Time Period Covered:	May 10, 2020 through September 30, 2020
Total Hours Billed:	620.30
Total Fees Requested:	\$532,362.60
Total Expenses Requested:	\$1,238.66
Total Fees and Expenses Requested:	\$533,601.26
Blended Rate for Attorneys:	\$987.69
Blended Rate for All Timekeepers:	\$858.23
Rate Increases Not Previously Approved or Disclosed:	N/A
Total Professionals:	22
Total Professionals Billing Less than 15 Hours	9
Historical	
Fees Approved to Date:	N/A
Expenses Approved to Date:	N/A
Total Fees and Expenses Approved to Date:	N/A

Approved Amounts Paid to Date:	N/A
Outstanding Amounts Sought:	
Fees Paid Pursuant to Monthly Fee Statements, Not Yet Allowed:	\$316,472.04
Expenses Paid Pursuant to Monthly Fee Statements, Not Yet Allowed:	\$1,225.67
Total Fees and Expenses Paid Pursuant to Monthly Fee Statements, Not Yet Allowed:	\$317,697.71
Related Information and Case Status	
This is a(n): <input checked="" type="checkbox"/> interim <input type="checkbox"/> final application.	

**Summary of Monthly Fee Statements for the
First Interim Application Period of May 10, 2020 through September 30, 2020**

Docket No.	Period Covered by Monthly Fee Statement	Total Fees Requested	Total Expenses Requested	Objection Deadline	Total Fees Received	Total Expenses Received	20% Holdback Amount
Docket No. 844	May 10, 2020 – July 31, 2020	\$236,461.68 (80% of \$295,577.10)	\$1,220.27	September 18, 2020	\$236,461.68	\$1,220.27	\$59,115.42
Docket No. 977	August 1, 2020 – August 31, 2020	\$80,010.36 (80% of \$100,012.95)	\$5.40	October 9, 2020	\$80,010.36	\$5.40	\$20,002.59
Docket No. 1116	September 1, 2020 – September 30, 2020	\$109,418.04 (80% of \$136,772.55)	\$12.99	November 6, 2020	\$0.00	\$0.00	\$27,354.51
Total		\$532,362.60	\$1,238.66		\$316,472.04	\$1,225.67	\$106,472.52

**Summary of Hours Billed by Attorneys and Paraprofessionals for the
First Interim Application Period of May 10, 2020 through September 30, 2020**

NAME OF PROFESSIONAL	TITLE	HOURLY RATE	HOURS BILLED	TOTAL COMPENSATION
Somerstein, Mark R.	Partner, Business Restructuring Admitted in New York in 1991 Admitted in New Jersey in 1990	\$1,467.00	15.10	\$22,151.70
McGovern, Michael G.	Partner, Litigation Admitted in the District of Columbia in 1988 Admitted in New York in 2006	\$1,386.00	73.70	\$102,148.20
Calvet, Maria	Partner, Litigation Admitted in Pennsylvania in 2004 Admitted in the District of Columbia in 2020	\$1,098.00	65.10	\$71,479.80
Kirk, Shannon Capone	E-Discovery Counsel, Litigation Admitted in Illinois in 1998 Admitted in Massachusetts in 2009	\$1,066.50	2.80	\$2,986.20
Egan, Daniel	Counsel, Business Restructuring Admitted in New York, in 2008	\$1,003.50	33.80	\$33,918.30
Ference-Burke, Jonathan	Associate, Litigation Admitted in California in 2010 Admitted in the District of Columbia in 2011	\$990.00	58.50	\$57,915.00
Gilligan Palermo, Meghan	Associate, Litigation Admitted in New York in 2013	\$990.00	34.20	\$33,858.00
Kodis, Kimberly	Associate, Business Restructuring Admitted in New York in 2017	\$828.00	3.80	\$3,146.40
Murray, John	Associate, Business Restructuring Admitted in Massachusetts in 2020	\$738.00	75.30	\$55,571.40
Miller, Juliette	Associate, Litigation Admitted in New York in 2018	\$738.00	90.30	\$66,641.40
Mercado Violand, Natalia	Associate, Litigation Admitted in Massachusetts in 2018	\$639.00	31.20	\$19,936.80
Bergelson, Lauren M.	Associate, Litigation Admitted in New York in 2020	\$558.00	38.80	\$21,650.40
Levengood, Jennifer	Associate, Litigation Admitted in New York in 2020	\$558.00	3.60	\$2,008.80
Sosa, Nathalia	Law Clerk, Litigation	\$558.00	12.10	\$6,751.80
Vasquez, Krystal	Associate, Litigation Admitted in New York in 2020	\$558.00	3.30	\$1,841.40
Colorado, Stephanie	Associate, Litigation Admitted in New York in 2020	\$558.00	25.60	\$14,284.80
Montesinos, Delia	Other Professional	\$418.50	0.20	\$83.70
Brustman, Charles D.	Paralegal	\$382.50	0.20	\$76.50
Alindogan, Nova	Paralegal	\$382.50	5.30	\$2,027.25
Grammer, Elizabeth D.	Litigation Support Analyst	\$382.50	3.40	\$1,300.50
Melanson, Chad	Litigation Support Analyst	\$382.50	18.50	\$7,076.25
Soumela, Stamatia	Other Professional	\$216.00	25.50	\$5,508.00
TOTAL			620.30	\$532,362.60

Total Billed Hours for Attorneys567.20
Total Billed Hours for Paraprofessionals53.10
Total Billed Hours620.30

Total Fees Requested\$532,362.60
Blended Rate for All Timekeepers\$858.23
Blended Rate for Attorneys\$910.24

Mark Somerstein
Michael G. McGovern
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

*Special Government Investigations
Counsel to the Debtors and Debtors in Possession*

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

-----X
In re: : Chapter 11
: :
AVIANCA HOLDINGS S.A., *et al.*,¹ : Case No. 20-11133 (MG)
: :
Debtors. : (Jointly Administered)
: :
-----X

**FIRST INTERIM APPLICATION OF ROPES & GRAY LLP
FOR ALLOWANCE OF INTERIM COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
SPECIAL GOVERNMENT INVESTIGATIONS COUNSEL TO THE DEBTORS
FROM MAY 10, 2020 THROUGH AND INCLUDING SEPTEMBER 30, 2020**

¹ The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

Ropes & Gray LLP ("Ropes & Gray"), special government investigations counsel to Avianca Holdings S.A. and its above-captioned affiliates, as debtors and debtors in possession, hereby submits this application (the "Application"), pursuant to sections 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 (the "Local Bankruptcy Rules"), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (the "Local Guidelines"), the United States Trustee Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the "U.S. Trustee Guidelines" and, together with the Local Guidelines, the "Guidelines"), and this Court's *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on June 9, 2020 [Docket No. 256] (the "Interim Compensation Order"), for interim allowance of compensation for professional services rendered by Ropes & Gray to the Debtors for the period from May 10, 2020 through and including September 30, 2020 (the "First Interim Application Period") and reimbursement of actual and necessary expenses incurred by Ropes & Gray in connection with rendering such services during the First Interim Application Period.

Pursuant to the Guidelines, Ropes & Gray submits the declaration of Michael G. McGovern, a Ropes & Gray partner (the "McGovern Declaration"), regarding Ropes & Gray's compliance with the Guidelines, which is attached hereto as **Exhibit A** and is incorporated herein by reference. In further support of this Application, Ropes & Gray respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

2. The bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Bankruptcy Rule 2016-1(a), and the Interim Compensation Order.

BACKGROUND

3. On May 10, 2020 (the “Initial Petition Date”), certain of the Debtors (the “Initial Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On September 21, 2020 (together with the Initial Petition Date, as applicable to each Debtor, the “Petition Date”), each of AV Loyalty Bermuda Ltd. and Aviacorp Enterprises S.A. (the “Subsequent Debtors” and together with the Initial Debtors, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Amended Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 73] and the *Order Directing Certain Orders in Chapter 11 Cases of Avianca Holdings S.A., et al Be Made Applicable to Subsequent Debtors* [Docket No. 1030].

5. On May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “Committee”). *See Notice of*

Appointment of Official Committee of Unsecured Creditors [Docket No. 154]. No trustee or examiner has been appointed in these cases.

RETENTION OF ROPES & GRAY

6. On July 15, 2020, the Court entered the *Order Authorizing the Retention and Employment of Ropes & Gray LLP as Special Government Investigations Counsel to the Debtors Effective as of the Petition Date* [Docket No. 476] (the “Retention Order”) authorizing the Debtors to employ and retain Ropes & Gray as special government investigations counsel pursuant to section 327(e) of the Bankruptcy Code effective as of the Petition Date. From the outset of these chapter 11 cases, Ropes & Gray represented the Debtors professionally, diligently, and efficiently, advising them in connection with the government investigations matters for which Ropes & Gray was retained.

7. On June 9, 2020, the Court entered the Interim Compensation Order, which approved certain compensation procedures for these cases (the “Compensation Procedures”). Pursuant to the Compensation Procedures, retained professionals are authorized to serve monthly fee statements (each, a “Monthly Fee Statement”) on or before the 30th day of each month following the month for which compensation is sought or as soon thereafter as practicable. Provided that no objection to a Monthly Fee Statement is raised, the Debtors are authorized to pay such professionals an amount equal to eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in such Monthly Fee Statement.

8. In addition, the Compensation Procedures provide that, beginning with the period ending on September 30, 2020, and at four-month intervals thereafter, retained professionals are authorized to file interim applications with the Court for the allowance of compensation and reimbursement of expenses sought in the Monthly Fee Statements submitted during the applicable

Interim Fee Period (as defined in the Interim Compensation Order). Upon allowance by the Court of a professional's interim fee application, the Debtors are authorized to promptly pay such professional all unpaid fees and expenses (including the 20% holdback) for the applicable Interim Fee Period.

COMPENSATION PAID AND ITS SOURCES

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

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

11. These professional services were rendered by Ropes & Gray's partners, counsel, associates and paraprofessionals from its various practice groups, including the business and financial restructuring group and the litigation and enforcement group.

BILLING HISTORY

12. Pursuant to the terms of the Compensation Procedures, Ropes & Gray served three Monthly Fee Statements for the services rendered and expenses incurred during the First Interim Application Period as follows:

Docket No.	Period Covered by Monthly Fee Statement	Total Fees Requested	Total Expenses Requested	Objection Deadline	Total Fees Received	Total Expenses Received	20% Holdback Amount
Docket No. 844	May 10, 2020 – July 31, 2020	\$236,461.68 (80% of \$295,577.10)	\$1,220.27	September 18, 2020	\$236,461.68	\$1,220.27	\$59,115.42
Docket No. 977	August 1, 2020 – August 31, 2020	\$80,010.36 (80% of \$100,012.95)	\$5.40	October 9, 2020	\$80,010.36	\$5.40	\$20,002.59
Docket No. 1116	September 1, 2020 – September 30, 2020	\$109,418.04 (80% of \$136,772.55)	\$12.99	November 6, 2020	\$0.00	\$0.00	\$27,354.51
Total		\$532,362.60	\$1,238.66		\$316,472.04	\$1,225.67	\$106,472.52

13. Although Ropes & Gray billed at its standard hourly rates in effect when services were rendered, the Monthly Fee Statements reflect a voluntary 10% discount from Ropes & Gray’s standard hourly rates.

RELIEF REQUESTED

14. In this Application, Ropes & Gray is requesting entry of an order, (a) granting the interim allowance of (i) compensation for the actual, reasonable, and necessary professional services that Ropes & Gray rendered to the Debtors during the First Interim Application Period in the amount of \$532,362.60, and (ii) the actual, reasonable, and necessary out-of-pocket expenses incurred by Ropes & Gray in representing the Debtors during the First Interim Application Period in the amount of \$1,238.66; and (b) authorizing the Debtors to pay Ropes & Gray all outstanding amounts of fees and expenses incurred for the First Interim Application Period, including the 20% holdback amount from the aggregate fees for the First Interim Application Period (the “Holdback Amount”).

15. In accordance with the Guidelines, the following exhibits are attached to this Application:

- a. **Exhibit B** is a schedule of the number of hours billed by partners, counsel, senior attorneys, associates, and paraprofessionals during the First Interim Application Period with respect to each of the subject matter categories Ropes & Gray has established in accordance with its internal billing procedures. Ropes & Gray attorneys and paraprofessionals have billed a total of 620.30 hours in connection with these cases during the First Interim Application Period.
- b. **Exhibit C** is a schedule providing certain information regarding Ropes & Gray attorneys and paraprofessionals for whose work compensation is sought in this Application, including position, level of experience, hourly rate, total hours spent working in connection with these cases during the First Interim Application Period, and amount of compensation sought on account thereof.
- c. **Exhibit D** contains a summary schedule of the actual and necessary out-of-pocket expenses incurred by Ropes & Gray during the First Interim Application Period.
- d. **Exhibit E** contains a disclosure of “customary and comparable compensation” charged by Ropes & Gray’s professionals and paraprofessionals, including a summary of the blended hourly rates of the applicable timekeepers (segregated by rank) as compared to the blended hourly rates for similar non-bankruptcy timekeepers in Ropes & Gray’s U.S. Offices.
- e. **Exhibit F** contains Ropes & Gray’s budget and staffing plans for these cases during the First Interim Application Period.

SUMMARY OF LEGAL SERVICES RENDERED

16. During the First Interim Application Period, Ropes & Gray provided extensive, reasonable, and appropriate professional services to the Debtors in connection with the government investigations that Ropes & Gray was retained to perform.

17. To provide a meaningful summary of Ropes & Gray’s services rendered on behalf of the Debtors and their estates, Ropes & Gray has established, in accordance with its internal billing procedures, certain subject matter categories tailored to these cases. The following is a

summary of professional services rendered for the most significant subject matter categories during the First Interim Application Period:

A. Government Investigations

Total Fees: \$363,184.65
Total Hours: 436.90

18. During the First Interim Application Period, Ropes & Gray advised the Debtors on several ongoing investigation matters, including (a) an internal investigation related to potentially irregular grants of airline tickets and other benefits (the “Tickets Matter”); (b) an internal review of whether the Debtors were the victims of wrongdoing in connection with certain alleged corrupt practices at Airbus SE (the “Airbus Matter”); and (c) responding to external investigations into the Tickets Matter and the Airbus Matter by law enforcement and government regulators in the United States and Colombia.

19. During the First Interim Application Period, Ropes & Gray attorneys; (i) reviewed and analyzed thousands of pages of the Debtors’ documents and records in connection with the Tickets Matter and the Airbus Matter; (ii) worked with third-party vendors in connection with the review of the Debtors’ documents and records; (iii) interfaced with United States and Colombian regulators in connection with the aforementioned internal investigations; (iv) responded to requests for information, documents, and/or records from United States and Colombian regulators; and (v) regularly briefed and advised the Debtors’ Audit Committee in connection with the status of the aforementioned internal investigations.

20. In particular, during the First Interim Application Period, Ropes & Gray has made substantial progress on the review of documents and records for the Tickets Matter, through the targeted review of emails and other data with the assistance of technology-assisted review.

21. Additionally, during the First Interim Application Period, Ropes & Gray has worked with StoneTurn Group (New York), LLC (“StoneTurn”), and Refinitiv US, LLC (“Refinitiv”), vendors retained by Ropes & Gray pursuant to the Retention Order, on analysis of the Debtors’ raw ticket and passenger data to determine the frequencies and recipients of free or discounted tickets or other travel benefits. At the direction of and under the supervision of Ropes & Gray, StoneTurn has compared passenger data against known lists of government officials and politically exposed persons (“PEPs”). Through this work, Ropes & Gray has made substantial progress on the investigation of the Tickets Matter.

22. Additionally, as discussed above, during the First Interim Application Period, Ropes & Gray has continued to interact regularly with regulators in the United States and Colombia regarding the Tickets Matter and the Airbus Matter. Ropes & Gray has responded to requests from those regulators for meetings, information, documents, and/or records. Ropes & Gray also remains in regular contact with various internal and external counsel for the Debtors, including certain Colombian counsel as appropriate when responding to inquiries or requests from Colombian regulators.

B. Retention

Total Fees: \$116,466.75
Total Hours: 124.40

23. During the First Interim Application Period, Ropes & Gray expended time (i) preparing the *Application of Debtors for Authority to Retain and Employ Ropes & Gray LLP as Special Counsel to the Debtors Effective as of the Petition Date*, [Docket No. 180] (the “Retention Application”) and (ii) ensuring that the Retention Application complied with applicable law, the U.S. Trustee Guidelines, and Bankruptcy Rule 2014.

24. In connection with the Retention Application, Ropes & Gray conducted a comprehensive review and analysis of more than 1,500 potential parties in interest at the outset of these cases for potential conflicts of interest and to ensure compliance with the Bankruptcy Code, Bankruptcy Rules, U.S. Trustee requirements, and ethical duties and disclosure requirements relating to Ropes & Gray's engagement. After Ropes & Gray conducted its initial conflicts check prior to filing the Retention Application, the Debtors identified additional potential parties in interest, necessitating additional review and analysis and supplemental declarations and disclosures to be filed in connection with the Retention Application.²

25. Additionally, on June 2, 2020, the U.S. Trustee objected to the Retention Application. *See Objection of the United States Trustee to Entry of Order Approving the Retention of Ropes & Gray LLP as Special Government Investigations Counsel to the Debtors* [Docket No. 218]. Ropes & Gray attorneys spent time and effort responding to the concerns raised by the U.S. Trustee's objection, including preparing and filing the *Supplemental Declaration of Michael G. McGovern in Further Support of Application of Debtors for Authority to Retain and Employ Ropes & Gray LLP as Special Government Investigations Counsel to the Debtors Effective as of the Petition Date* [Docket No. 451]. Ropes & Gray engaged in several discussions and extensive negotiations with the Office of the U.S. Trustee and was able to resolve the U.S. Trustee's concerns.

² *See Second Supplemental Declaration of Michael G. McGovern in Further Support of Application of Debtors for Authority to Retain and Employ Ropes & Gray LLP as Special Government Investigations Counsel to the Debtors Effective as of the Petition Date* [Docket No. 698]; *Third Supplemental Declaration of Michael G. McGovern in Further Support of Application of Debtors for Authority to Retain and Employ Ropes & Gray LLP as Special Government Investigations Counsel to the Debtors Effective as of the Petition Date* [Docket No. 845].

C. Fee Applications

Total Fees: \$52,711.20
Total Hours: 59.00

26. Under this project category, Ropes & Gray attorneys drafted and prepared a consolidated Monthly Fee Statement for May, June, and July, and individual Monthly Fee Statements for August and September. In connection therewith, Ropes & Gray attorneys (i) ensured the time entries in invoices attached to each Monthly Fee Statement were in compliance with the U.S. Trustee Guidelines and (ii) reviewed time entries for privilege and confidentiality issues.

SUMMARY OF ACTUAL AND NECESSARY EXPENSES INCURRED

27. The foregoing professional services provided by Ropes & Gray on behalf of the Debtors during the First Interim Application Period were reasonable, necessary, and appropriate to the administration of these chapter 11 cases and related matters. Many of the services were performed by the attorneys and paraprofessionals of Ropes & Gray's Litigation and Enforcement group. Ropes & Gray has a prominent practice in that area and enjoys a national reputation for its expertise in complex litigation and government enforcement actions.

28. During the First Interim Application Period, Ropes & Gray incurred expenses aggregating \$1,238.66, primarily for computer assisted research that was necessary in connection with the legal services provided by Ropes & Gray. These actual expenses incurred in providing professional services to the Debtors were necessary, reasonable, and justified under the circumstances. Ropes & Gray has made every effort to minimize its disbursements in these cases.

BASIS FOR RELIEF

29. Section 331 of the Bankruptcy Code provides for interim compensation for services rendered and reimbursement of expenses in chapter 11 cases and incorporates the substantive

standards of section 330 to govern the award of such compensation. Specifically, section 331 provides, in relevant part, as follows:

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . or for reimbursement for expenses . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

30. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person “reasonable compensation for actual, necessary services rendered[.]” Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the 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 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;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) 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).

31. Ropes & Gray respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Debtors and their estates.

Ropes & Gray performed the services for the Debtors efficiently and effectively, and the results obtained benefited not only the Debtors, but also the Debtors' estates, creditors and other parties in interest. Ropes & Gray further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of the services rendered.

32. During the First Interim Application Period, Ropes & Gray's hourly billing rates for attorneys ranged from \$610-1,870. These hourly rates and the rate structure are equivalent to the hourly rates and corresponding rate structure used by Ropes & Gray not only for restructuring, workout, bankruptcy, insolvency, and comparable matters, but also for other complex corporate, securities, and litigation matters, whether in-court or otherwise, regardless of whether a fee application is required. Although Ropes & Gray billed at its standard hourly rates in effect when services were rendered, the compensation sought through this Application reflects a voluntary 10% discount from Ropes & Gray's standard hourly rates, consistent with the Engagement Letter attached as Exhibit 1 to the Retention Order.

33. Moreover, Ropes & Gray's hourly rates are set at a level designed to compensate Ropes & Gray fairly for the work of its attorneys and paraprofessionals and to cover certain fixed overhead expenses. Hourly rates vary with the experience and seniority of each individual performing a particular service. These hourly rates are subject to yearly adjustments to reflect economic and other conditions and are consistent with the rates charged by comparable firms.

34. In sum, Ropes & Gray respectfully submits that the professional services provided by its attorneys and paraprofessionals on behalf of the Debtors during the First Interim Application Period were necessary and appropriate given the relevant factors set forth in section 330 of the Bankruptcy Code, *i.e.*, the complexity of these cases, the time expended, the nature and extent of the services provided, the value of such services, and the cost of comparable services outside of

bankruptcy. Accordingly, Ropes & Gray respectfully submits that approval of the compensation and reimbursement of expenses sought herein is warranted.

RESERVATION OF RIGHTS

35. Although every effort has been made to include all fees and expenses incurred during the First Interim Application Period, some fees and expenses might not be included in this Application due to delays in connection with accounting and processing of such time and expenses. Accordingly, Ropes & Gray reserves the right to make further application to this Court for the allowance of additional fees and expenses incurred during the First Interim Application Period that are not included herein.

NOTICE

36. Notice of this Application will be provided in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* [Docket No. 47]. Ropes & Gray respectfully submits that no further notice is required.

NO PRIOR REQUEST

37. No previous request for the relief sought herein has been made by Ropes & Gray to this or any other Court.

[Text Continues on the Next Page]

CONCLUSION

WHEREFORE, Ropes & Gray respectfully requests that the Court enter an order (i) allowing on an interim basis (a) compensation to Ropes & Gray of \$532,362.60 for reasonable and necessary professional services rendered to the Debtors and (b) \$1,238.66 for reimbursement of actual and necessary costs and expenses incurred by Ropes & Gray for a total of \$533,601.26; (ii) authorizing and directing the Debtors to pay Ropes & Gray the any outstanding fees and expenses incurred during the First Interim Compensation Period, including the Holdback Amount; and (iii) granting such other relief as the Court deems proper and just.

Dated: November 13, 2020
New York, New York

Respectfully submitted,

/s/ Mark R. Somerstein

Mark R. Somerstein
Michael G. McGovern
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

*Special Government Investigations
Counsel to the Debtors and Debtors in
Possession*

EXHIBIT A

McGovern Declaration

Mark Somerstein
Michael G. McGovern
Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

*Special Government Investigations
Counsel to the Debtors and Debtors in Possession*

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

-----X		
In re:	:	Chapter 11
	:	
AVIANCA HOLDINGS S.A., <i>et al.</i> , ¹	:	Case No. 20-11133 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

**DECLARATION OF MICHAEL G. MCGOVERN
IN SUPPORT OF FIRST INTERIM APPLICATION OF
ROPES & GRAY LLP FOR ALLOWANCE OF INTERIM COMPENSATION FOR
PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES
INCURRED AS SPECIAL GOVERNMENT INVESTIGATIONS COUNSEL TO THE
DEBTORS FROM MAY 10, 2020 THROUGH AND INCLUDING SEPTEMBER 30, 2020**

¹ The Debtors in these chapter 11 cases, and each Debtor’s federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int’l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors’ principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

I, Michael G. McGovern, under penalty of perjury, declare as follows:

1. I am a partner in the Litigation and Enforcement Group of the firm Ropes & Gray LLP (“Ropes & Gray”), special government investigations counsel to the above-captioned debtors and debtors in possession (the “Debtors”). I am an attorney at law admitted to practice in the District of Columbia and the State of New York.

2. I have read the foregoing *First Interim Application of Ropes & Gray LLP for Allowance of Interim Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred as Special Government Investigations Counsel to the Debtors from May 10, 2020 Through and Including September 30, 2020* (the “Application”).² To the best of my knowledge, information and belief, the statements contained in the Application are true and correct and comply in material part with Local Bankruptcy Rule 2016-1(a) and the Local Guidelines.

3. In connection therewith, I hereby certify that:

- a. To the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application are permissible under the relevant rules, court orders, and Bankruptcy Code provisions;
- b. Except to the extent disclosed in the Application, the fees and disbursements sought in the Application are billed at rates in accordance with practices customarily employed by Ropes & Gray and generally accepted by Ropes & Gray’s clients. In addition, none of the professionals seeking compensation varied their hourly rate based on the geographic location of the Debtors’ business or these cases;
- c. The fees sought in the aggregate for the First Interim Application Period do not exceed the budgeted fees for the same time period in the budget and staffing plan;
- d. Ropes & Gray did not increase its hourly rates from those disclosed in the Retention Application during the First Interim Application Period;

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Application.

- e. In providing a reimbursable service, Ropes & Gray does not make a profit on that service, whether the service is performed by Ropes & Gray in-house or through a third party;
- f. In accordance with Rule 2016(a) of the Federal Rules of Bankruptcy Procedure and 11 U.S.C. § 504, no agreement or understanding exists between Ropes & Gray and any other person for the sharing of compensation to be received in connection with these cases; and
- g. All professional services for which compensation is sought were performed on behalf of the Debtors and not on behalf of any other person.

4. With respect to Section B.2 of the Local Guidelines, the Debtors, counsel to the Committee and the United States Trustee have been previously provided with a statement of the fees and disbursements accrued during the First Interim Application Period, which statements included a list of professionals and paraprofessionals providing services, their respective billing rates, the aggregate hours spent by each professional and paraprofessional, a general description of services rendered, a reasonably detailed breakdown of disbursements incurred and an explanation of billing practices.

5. With respect to Section B.3 of the Local Guidelines, I certify that the Debtors, counsel to the Committee and the United States Trustee will each be provided with a copy of the Application concurrently with the filing thereof and will have at least fourteen (14) days to review the Application prior to any objection deadline with respect thereto.

6. The following is provided in response to the questions set forth in Section C.5 of the U.S. Trustee Guidelines:

Question: Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.

Response: Ropes & Gray has agreed to a voluntary 10% discount of its standard hourly rates, as reflected in the Engagement Letter attached as Exhibit 1 to the Retention Order.

Question: If the fees sought in this fee application as compared to the fees budgeted for the time period covered by this fee application are higher by 10% or more, did you discuss the reasons for the variation with the client?

Response: Not applicable. See **Exhibit G** for a comparison of fees and hours billed to fees and hours budgeted.

Question: Have any of the professionals included in this fee application varied their hourly rate based on the geographic location of the bankruptcy case?

Response: No.

Question: Does this fee application include time or fees related to reviewing the time records or preparing, reviewing, or revising invoices? (This is limited to work involved in preparing and editing billing records that would not be compensable outside of bankruptcy and does not include reasonable fees for preparing a fee application.). If so, please quantify by hours and fees.

Response: Yes. This Application includes approximately \$27,821.50 in fees and 26.4 hours relating to reviewing or revising Ropes & Gray's time records and preparing, reviewing or revising Ropes & Gray's invoices. These fees are reflected in billing code number titled Fee Applications.

Question: Does this fee application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please qualify by hours and fees.

Response: Yes, in connection with the review of the invoices in connection with the preparation and submission of Monthly Fee Statements as detailed above, Ropes & Gray reviewed the time detail for privileged or confidential information.

Question: Does this fee application include rate increases since retention?

Response: No.

Question: How many professionals are included in this application?

Response: 22.

Question: If applicable, how many professionals in this application are not included in the client-approved staffing plan?

Response: None.

Question: If applicable, what is the difference between the fees budgeted and compensation sought for this period?

Response: N/A

Question: How many professionals billed fewer than 15 hours to the case during this period?

Response: 8

Question: How much of the compensation sought in this application was already paid pursuant to a monthly compensation order but not yet allowed?

Response: Ropes & Gray has received payments totaling \$316,472.04 for professional services provided to the Debtors and \$1,225.67 for expenses incurred during the First Interim Application Period.

7. In accordance with the Local Guidelines, I certify that the Debtors, the U.S. Trustee and the Committee are each being provided with a copy of the Application.

8. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: November 13, 2020
New York, New York

/s/ Michael G. McGovern
Michael G. McGovern
Partner

EXHIBIT B

Summary of Fees by Subject Matter

Task Code	Project Category	Total Hours Billed	Amount
0001	Government Investigations	436.90	\$363,184.65
0002	Retention	124.40	\$116,466.75
0003	Fee Applications	59.00	\$52,711.20
	TOTALS:	620.30	\$532,362.60

EXHIBIT C

Attorneys' and Paraprofessionals' Information for the First Interim Application Period

NAME OF PROFESSIONAL	TITLE	HOURLY RATE	HOURS BILLED	TOTAL COMPENSATION
Somerstein, Mark R.	Partner, Business Restructuring Admitted in New York in 1991 Admitted in New Jersey in 1990	\$1,467.00	15.10	\$22,151.70
McGovern, Michael G.	Partner, Litigation Admitted in the District of Columbia in 1988 Admitted in New York in 2006	\$1,386.00	73.70	\$102,148.20
Calvet, Maria	Partner, Litigation Admitted in Pennsylvania in 2004 Admitted in the District of Columbia in 2020	\$1,098.00	65.10	\$71,479.80
Kirk, Shannon Capone	E-Discovery Counsel, Litigation Admitted in Illinois in 1998 Admitted in Massachusetts in 2009	\$1,066.50	2.80	\$2,986.20
Egan, Daniel	Counsel, Business Restructuring Admitted in New York, in 2008	\$1,003.50	33.80	\$33,918.30
Ference-Burke, Jonathan	Associate, Litigation Admitted in California in 2010 Admitted in the District of Columbia in 2011	\$990.00	58.50	\$57,915.00
Gilligan Palermo, Meghan	Associate, Litigation Admitted in New York in 2013	\$990.00	34.20	\$33,858.00
Kodis, Kimberly	Associate, Business Restructuring Admitted in New York in 2017	\$828.00	3.80	\$3,146.40
Murray, John	Associate, Business Restructuring Admitted in Massachusetts in 2020	\$738.00	75.30	\$55,571.40
Miller, Juliette	Associate, Litigation Admitted in New York in 2018	\$738.00	90.30	\$66,641.40
Mercado Violand, Natalia	Associate, Litigation Admitted in Massachusetts in 2018	\$639.00	31.20	\$19,936.80
Bergelson, Lauren M.	Associate, Litigation Admitted in New York in 2020	\$558.00	38.80	\$21,650.40
Levengood, Jennifer	Associate, Litigation Admitted in New York in 2020	\$558.00	3.60	\$2,008.80
Sosa, Nathalia	Law Clerk, Litigation	\$558.00	12.10	\$6,751.80
Vasquez, Krystal	Associate, Litigation Admitted in New York in 2020	\$558.00	3.30	\$1,841.40
Colorado, Stephanie	Associate, Litigation Admitted in New York in 2020	\$558.00	25.60	\$14,284.80
Montesinos, Delia	Other Professional	\$418.50	0.20	\$83.70
Brustman, Charles D.	Paralegal	\$382.50	0.20	\$76.50
Alindogan, Nova	Paralegal	\$382.50	5.30	\$2,027.25
Grammer, Elizabeth D.	Litigation Support Analyst	\$382.50	3.40	\$1,300.50
Melanson, Chad	Litigation Support Analyst	\$382.50	18.50	\$7,076.25
Soumela, Stamatia	Other Professional	\$216.00	25.50	\$5,508.00
TOTAL			620.30	\$532,362.60

EXHIBIT D

Summary of Expenses Incurred During the First Interim Application Period

(May 10, 2020 – September 30, 2020)

Expense Category	Amount
Computer Assisted Research	\$1,238.66
TOTAL	\$1,238.66

EXHIBIT E

**CUSTOMARY AND COMPARABLE COMPENSATION
DISCLOSURE WITH FINAL FEE APPLICATION**

The blended hourly rate for all Ropes & Gray non-bankruptcy domestic timekeepers (including both professionals and paraprofessionals) (the “Non-Bankruptcy Blended Rate”) during the comparable period beginning May 10, 2020 and ending September 30, 2020 (the “Comparable Period”) was, in the aggregate, approximately \$738.29 per hour.

The blended hourly rate for all Ropes & Gray timekeepers (including both professionals and paraprofessionals) who billed to the Debtors during the Comparable Period was approximately \$858.23 per hour.

A detailed comparison of these rates is as follows:

Blended Hourly Rate Disclosures		
Position at Ropes & Gray	Non-Bankruptcy Blended Rate	Blended Hourly Rate in Application
Partners	\$1,154.43	\$1,272.12
Counsel	\$925.41	\$1,008.32
Associates	\$692.27	\$752.87
Paraprofessional	\$228.25	\$302.68
Blended Rate	\$738.29	\$858.23

EXHIBIT F

Budget and Staffing Plan

BUDGET PLAN (May 10, 2020 – September 30, 2020)

Task Code	Project Category	Estimated Hours	Estimated Fees (\$)
-0001	Government Investigations	1182.5	\$630,079.10
-0002	Retention	130.0	\$122,860.40
-0003	Fee Applications	86.0	\$79,136.34
-0004	Case Administration	12.0	\$6,396.30
-0005	Nonworking Travel Time	0	0
-0006	Court Hearings	0	0
	TOTAL	1,410.5	\$838,472.14

STAFFING PLAN (May 10, 2020 – September 30, 2020)

Category of Timekeeper	Number of Timekeepers Expected to Work on Matter During Budget Period	Average Hourly Rate
Partner	7	\$1,437.14
Counsel	3	\$1,138.33
Associate	21	\$793.81
Paraprofessional	19	\$346.75
Contract Attorneys	560	\$81.00

EXHIBIT G

**Summary of Fees and Hours Budgeted Compared to Fees and Hours Billed during the
First Interim Application Period**

Task Code	Project Category	Estimated Hours	Estimated Fees (\$)	Actual Hours	Actual Fees
-0001	Government Investigations	1182.5	\$630,079.10	436.9	\$363,184.65
-0002	Retention	130.0	\$122,860.40	124.4	\$116,466.75
-0003	Fee Applications	86.0	\$79,136.34	59.0	\$52,651.20
-0004	Case Administration	12.0	\$6,396.30	0	0
-0005	Nonworking Travel Time	0	0	0	0
-0006	Court Hearings	0	0	0	0
	TOTAL	1,410.5	\$838,472.14	620.3	\$532,302.60