

Peter B. Barlow
Brian P. Hall
SMITH, GAMBRELL & RUSSELL, LLP
1230 Peachtree Street NE, Suite 3100
Atlanta, GA 30309
Tel: (404) 815-3500
Fax: (404) 815-3509

*Special Aviation Counsel to Debtors
and Debtors-in-Possession*

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

In re

AVIANCA HOLDINGS S.A., *et al.*¹,

Debtors.

Chapter 11

Case No. 20-11133 (MG)

Jointly Administered

**SUMMARY SHEET TO THE FIRST INTERIM FEE APPLICATION OF
SMITH, GAMBRELL & RUSSELL, LLP AS SPECIAL AVIATION COUNSEL
TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD
FROM MAY 10, 2020 THROUGH SEPTEMBER 30, 2020**

General Information

Name of Applicant:	Smith, Gambrell & Russell, LLP (“SGR”)
Authorized to provide professional services to:	Avianca Holdings S.A., <i>et al.</i> , Debtors and Debtors-in-Possession

¹ The Debtors in these chapter 11 cases (the “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); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo 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.



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Petition Date: May 10, 2020

Date of Retention: Order entered on June 9, 2020 retaining SGR *nunc pro tunc* to the Petition Date [Docket No. 263]

Prior Fee Applications: None

Period for which Compensation and Expense Reimbursement is Sought: May 10, 2020 through September 30, 2020 (the “**Fee Period**”)

Summary of Fees and Expenses Sought for the Fee Period

Total Compensation Sought for the Fee Period: \$1,724,395.50
(includes 20% fee holdback)

Total Expenses Sought for the Fee Period: \$1,275.61

Total Compensation and Expense Reimbursement Sought for the Fee Period: \$1,725,671.11

Total Fees and Expenses Allowed Pursuant to Prior Fee Applications

Total Allowed Compensation Paid to Date: N/A

Total Allowed Expenses Paid to Date: N/A

Total Allowed Compensation and Expenses Paid to Date: N/A

Total Fees and Expenses Paid Pursuant to Monthly Statements

Compensation Sought for this Fee Period Already Paid Pursuant to Monthly Fee Statements but Not Yet Allowed (80% of fees): \$1,379,516.40

Expenses Sought for this Fee Period Already Paid Pursuant to Monthly Fee Statements but Not Yet Allowed (100% of expenses): \$1,275.61

Total Compensation and Expenses Sought for this Fee Period Already Paid Pursuant to Monthly Fee Statements but Not Yet Allowed: \$1,380,792.01

Total Compensation and Expenses Sought for this Fee Period Not Yet Paid: \$344,879.10 (20% fee holdback)

Summary of Rates and Other Related Information for this Fee Period

Blended Rate in this Application for All Attorneys: \$607.09

Blended Rate in this Application for All Timekeepers: \$570.88

Increase in Rates Since Date of Retention: None

Number of Professionals Included in this Application: 16

Number of Professionals Billing Fewer than 15 Hours During the Fee Period: 6

This is an interim fee application.

SUMMARY OF PRIOR MONTHLY FEE STATEMENTS

Date Filed & ECF No.	Period Covered	Total Compensation and Expenses Incurred for Period Covered		Total Amount Requested with Prior Monthly Fee Statements		Total Amount Paid to Date		20% Holdback Fees Requested
		Fees	Expenses	Fees (80%)	Expenses (100%)	Fees (80%)	Expenses (100%)	
6/30/2020 ECF No 367	5/10/2020 – 5/31/2020	\$409,968.00	\$731.40	\$327,974.40	\$731.40	\$327,974.40 ²	\$731.40	\$81,993.60
7/30/2020 ECF No. 650	6/1/2020 – 6/30/2020	\$498,716.50	\$145.47	\$398,973.20	\$145.47	\$398,973.20	\$145.47	\$99,743.30
8/26/2020 ECF No. 760	7/1/2020 – 7/31/2020	\$343,399.00	\$127.80	\$274,719.20	\$127.80	\$274,719.20	\$127.80	\$68,679.80
9/29/2020 ECF No. 986	8/1/2020 – 8/31/2020	\$219,332.00	\$205.34	\$175,465.60	\$205.34	\$175,465.60	\$205.34	\$43,866.40
10/14/2020 ECF No. 1085	9/1/2020 – 9/30/2020	\$252,980.00	\$65.60	\$202,384.00	\$65.60	\$202,384.00	\$65.60	\$50,596.00
Totals for First Interim Application	5/10/2020 – 9/30/2020	\$1,724,395.50	\$1,275.61	\$1,379,516.40	\$1,275.61	\$1,379,516.40	\$1,275.61	\$344,879.10

Summary of Objections to Monthly Fee Statements: None

Total Fees and Expenses Sought in this Application: \$1,725,671.11 (includes 20% holdback)

Compensation Sought in this Application Not Yet Paid: \$344,879.10 (20% holdback)

² In accordance with the Order authorizing the Debtors to retain SGR as counsel in these cases [Docket No. 263], SGR applied all remaining amounts of its prepetition retainer toward payment of the fees requested for this period.

**SMITH, GAMBRELL & RUSSELL, LLP
SUMMARY OF FEES BY PROFESSIONAL**

ATTORNEY	YEAR ADMITTED	PRACTICE AREA	HOURLY RATE	HOURS	FEE TOTAL
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PARTNERS:					
Jeffrey S. Tenen	1987	Aviation	\$760.00	565.90	\$430,084.00
Ronald E. Barab	1977	Bankruptcy	\$740.00	22.00	\$16,280.00
Peter B. Barlow	1995	Aviation	\$695.00	350.90	\$243,875.50
Israel I. Sanchez	1996	Aviation	\$695.00	708.90	\$492,685.50
Donald B. Mitchell	1987	Aviation	\$665.00	3.00	\$1,995.00
Brian P. Hall	1995	Bankruptcy	\$655.00	14.70	\$9,628.50
Andrew M. Thompson	1998	Litigation	\$595.00	2.40	\$1,428.00
Mark D. Turnbull	2005	Aviation	\$585.00	0.20	\$117.00
Colin D. Delaney	2000	Litigation	\$580.00	1.00	\$580.00

COUNSEL:					
Ellen H. Fontanella	2011	Aviation	\$515.00	466.70	\$240,350.50

ASSOCIATES:					
Erin P. McCallum	2016	Aviation	\$385.00	210.40	\$81,004.00
Anna C. Stangle	2018	Aviation	\$305.00	310.30	\$94,641.50

TOTAL (Attorneys):				2,656.40	\$1,612,669.50
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PARALEGALS:					
Robert C. Hamilton, Jr.	N/A	Aviation	\$350.00	128.40	\$44,940.00
Lorna J. Virts	N/A	Aviation/Bankruptcy	\$320.00	91.30	\$29,216.00
Jean Harris	N/A	Aviation	\$260.00	140.00	\$36,400.00
Devora L. Nealy	N/A	Bankruptcy	\$260.00	4.50	\$1,170.00

TOTAL (Paralegals):				364.20	\$111,726.00
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GRAND TOTAL (All Timekeepers):				3,020.60	\$1,724,395.50
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The Blended Hourly Rate for all Attorneys equals \$607.09

The Blended Hourly Rate for all Timekeepers equals \$570.88

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**FIRST INTERIM FEE APPLICATION OF
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TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR THE PERIOD
FROM MAY 10, 2020 THROUGH SEPTEMBER 30, 2020**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

Smith, Gambrell & Russell, LLP (“**SGR**”) as special aviation counsel to Avianca Holdings S.A., *et al.*, debtors and debtors in possession (the “**Debtors**”), hereby submits its first interim application (the “**Application**”) for compensation and reimbursement of actual,

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reasonable and necessary expenses incurred for the period May 10, 2020 through September 30, 2020 (the “**Fee Period**”), pursuant to sections 330(a) and 331 of 11 U.S.C. §§101, et seq. (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Rules for the Southern District of New York (the “**Local 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’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases*, effective as of November 1, 2013 (the “**UST Guidelines**”), and the Court’s *Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals*, dated June 6, 2020 [Docket No. 256] (the “**Interim Compensation Order**”)², and respectfully represents as follows:

1. Prefixed to this Application is the summary sheet required by the UST Guidelines, which includes a schedule setting forth the names of all SGR professionals and paraprofessionals who have performed services for which compensation is sought, the capacities in which each such individual is employed by SGR, the department in which each individual practices, the hourly billing rate charged by SGR for the services performed by such individual, the aggregate number of hours expended and fees billed therefor, and the year in which each professional was first licensed to practice law.

JURISDICTION AND VENUE

2. The Interim Compensation Order provides, *inter alia*,

Commencing with the period ending September 30, 2020 and at four-month intervals thereafter (each such period, an “*Interim Fee Period*”), each of the Retained Professionals shall serve and file with the Court an application (an “*Interim Fee Application*”) for interim Court

² Capitalized terms used but not otherwise defined herein have the meanings ascribed thereto in the Interim Compensation Order.

approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested in the Monthly Fee Statements served during each applicable Interim Fee Period.

And provides further,

To the extent authorized by the Court, including in an order allowing a Retained Professional's Interim Fee Application, the Debtors shall be authorized to promptly pay such Retained Professional all allowed requested fees (including the 20% "holdback") and expenses not previously paid.

SGR files this Interim Application in compliance and in accordance with the aforesaid provisions of the Interim Compensation Order.

3. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these proceedings and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105, 327, 330 and 331 of the Bankruptcy Code and Rules 2002(a) and 2016 of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

A. The Debtors' Chapter 11 Cases

4. On May 10, 2020 (the "*Petition Date*"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. 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. The Debtors' 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].

6. On May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “*Committee*”) as set forth in the *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 154]. No trustee or examiner has been appointed in these cases.

7. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the filing of these cases is set forth in the *Declaration of Adrian Neuhauser in Support of the Debtors’ Chapter 11 Petitions and First Day Orders* [Docket No. 20].

B. Retention of SGR as Special Aviation Counsel

8. On June 9, 2020, the Court entered an Order pursuant to which SGR was retained as special aviation counsel to the Debtors pursuant to section 327(e) of the Bankruptcy Code, *nunc pro tunc* to the Petition Date [Docket No. 263].

9. Except as noted below in this paragraph 9, (i) SGR’s fees in these cases are based on its ordinary and customary hourly rates, and are billed in accordance with SGR’s existing billing rates and procedures in effect during the Fee Period and (ii) the rates SGR charges for services rendered by its professionals and paraprofessionals in the Chapter 11 Cases are the same rates SGR charges for professionals and paraprofessionals services rendered in comparable non-bankruptcy matters. The SGR partners anticipated to be primarily involved in these cases at the time of SGR’s engagement agreed to reduced hourly billing rates during the Fee Period as follows:

Timekeeper	Title	2020 Standard Hourly Rate	Reduced Hourly Rate Applicable During the Fee Period
Jeffrey S. Tenen	Partner	\$845	\$760
Peter B. Barlow	Partner	\$730	\$695
Israel I. Sanchez	Partner	\$730	\$695

Timekeeper	Title	2020 Standard Hourly Rate	Reduced Hourly Rate Applicable During the Fee Period
Howard E. Turner	Partner	\$810	\$760
Ronald E. Barab	Partner	\$775	\$740
Brian P. Hall	Partner	\$685	\$655
Joseph C. Mandarino	Partner	\$715	\$685
Ellen H. Fontanella	Counsel	\$525	\$515

C. Budget and Staffing

10. As set forth in the Declaration of Peter Barlow which accompanied the Debtors' application to retain SGR as special aviation counsel, SGR has discussed with the Debtors a staffing plan and budget, and it was determined by the Debtors that a budget and staffing plan would not be required from SGR. The Debtors also confirmed to SGR on November 11, 2020 that the staffing provided by SGR and SGR's fee charges to date are in line with the Debtors' expectations.

RELIEF REQUESTED

11. SGR respectfully requests the entry of an order (i) approving allowance of \$1,724,395.50 for compensation for services rendered during the Fee Period; (ii) approving the reimbursement of SGR's out-of-pocket expenses in the amount of \$1,275.61 during the Fee Period; (iii) directing the payment of \$1,725,671.11, consisting of compensation of \$1,724,395.50 (which includes the 20% "holdback"), plus \$1,275.61 of expenses incurred, less any sums previously paid. Such services were rendered and disbursements incurred during the Fee Period.

12. Attached hereto as **Exhibit "A"** is a schedule, pursuant to Section (b)(4) of the UST Guidelines, summarizing by project category, the services performed by SGR during the Fee Period. Attached hereto as **Exhibit "B"** is a schedule specifying the categories of expenses

for which SGR is seeking reimbursement and the total amount of each such expense category. Attached hereto as **Exhibit “C”** is the declaration of Peter B. Barlow with respect to the Application, with the certifications required by the UST Guidelines.

SERVICES RENDERED

13. Detailed descriptions of the principal activities of SGR professionals and paraprofessionals during the Fee Period are found in the invoices attached to the Fee Statements (as defined herein). A summary of these activities is as follows:

- a. Advising, negotiating and drafting amendments to leases for aircraft, engines and other equipment related agreements among the Debtors and various equipment lessors and financing parties, and assistance with required administrative and regulatory filings of the same including with the Debtor lessees’ aviation authorities and other governmental and administrative authorities (as applicable);
- b. Advising the Debtors in connection with the implementation of revised ownership structures or transfers of ownership of certain aircraft and related aviation equipment that will be subject to replacement leases with a Debtor as lessee;
- c. Assisting the Debtors in connection with the review, analysis and identification of financing and lease details in connection with the rejection and potential rejection of aircraft and drafting and coordinating the implementation of related aircraft return documentation including ferry flight agreements and related arrangements and required lease terminations and related documents and regulatory filings (as applicable);
- d. Advising the Debtors in connection with their rights and obligations under agreements with the manufacturers of aircraft and engines;
- e. Advising the Debtors in connection with matters relating to the mortgage of aircraft equipment and related pledges of contractual rights provided as security to the lenders in connection with Debtor-In-Possession financing and drafting of related mortgages, review of non-U.S. pledges and related powers of attorney, International Registry, UCC and local and foreign filings related to the perfection of such security interests and liaising with various existing creditor parties, Debtors and collateral agents in order to implement such security interests.
- f. Advising the Debtors in connection with Federal Aviation Administration, Convention on International Interests in Mobile Equipment (Cape Town

Convention) and related filings and registrations and Uniform Commercial Code and title tracing matters relating to the foregoing;

- g. Advising the Debtors in connection with tax matters specific to the foregoing (as applicable);
- h. Providing such further aviation related legal assistance in connection with the Debtors' aircraft and engine fleet as requested by the Debtors from time to time; and
- j. Advising the Debtors, to the extent necessary or appropriate, in connection with seeking the approval of the foregoing fleet, financing and related matters by the Committee, interested creditors and other parties in interest, and the Bankruptcy Court.

14. The foregoing professional services performed by SGR were necessary and appropriate to the administration of the Debtors' Chapter 11 Cases.

EXPENSES INCURRED

15. As set forth in **Exhibit "B"**, SGR incurred expenses of \$1,275.61 in providing professional services during the Fee Period. These charges are intended to cover SGR's direct operating costs which are not incorporated into SGR's billing rates.

16. SGR has made efforts to minimize disbursements in these cases. The actual expenses incurred in providing professional services were necessary, reasonable and justified under the circumstances to serve the needs of the Debtors, their estates and creditors.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

17. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 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, 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 at which the services were rendered toward the completion of, a case under this title;
- (D) whether the services were preformed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. §330(a)(3).

18. In the instant case, SGR respectfully submits that the services for which it seeks compensation in this Application were, at the time rendered, necessary for, beneficial to, and in the best interest of the Debtors, their estates and their creditors. SGR further submits that the compensation requested herein is reasonable in light of the nature, extent and value of such services to the Debtors, their estates and their creditors and were performed in a timely manner commensurate with the complexity, importance and nature of the issues involved. Accordingly, the compensation sought herein is warranted.

19. No agreement or understanding exists between SGR and any third person for the sharing of compensation, except as allowed by Section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016 with respect to the sharing of compensation between and among partners of SGR. All of the services for which compensation is sought in this Application were rendered at the request of, and solely on behalf of, the Debtors, and not at the request of, or on behalf of, any other person or entity.

FEE STATEMENTS AND PAYMENTS RECEIVED

20. On June 30, 2020, SGR filed its *First Monthly Fee Statement of Smith, Gambrell & Russell, LLP, as Special Aviation Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses for the Period from May 10, 2020 through May 31, 2020* [Docket No. 367] (the “**First Fee Statement**”). The First Fee Statement requested fees in the amount of \$327,974.40 for professional services rendered (80% of \$409,968.00), plus \$731.40 for actual and reasonable expenses incurred, resulting in a total charge of \$328,705.80. No objection to the First Fee Statement was filed or submitted to SGR by the Objection Deadline; therefore, SGR received payment from the Debtors in the amount of \$328,705.80, as authorized by the Interim Compensation Order.

21. On July 30, 2020, SGR filed its *Second Monthly Fee Statement of Smith, Gambrell & Russell, LLP, as Special Aviation Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses for the Period from June 1, 2020 through June 30, 2020* [Docket No. 650] (the “**Second Fee Statement**”). The Second Fee Statement requested fees in the amount of \$398,973.20 for professional services rendered (80% of \$498,716.50), plus \$145.47 for actual and reasonable expenses incurred, resulting in a total charge of \$399,118.67. No objection to the Second Fee Statement was filed or submitted to SGR by the Objection Deadline; therefore, SGR received payment from the Debtors in the amount of \$399,118.67, as authorized by the Interim Compensation Order.

22. On August 26, 2020, SGR filed its *Third Monthly Fee Statement of Smith, Gambrell & Russell, LLP, as Special Aviation Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses for the Period from July 1, 2020 through July 31, 2020* [Docket No. 760] (the “**Third Fee Statement**”). The Third Fee Statement requested fees in the amount of \$274,719.20 for professional services rendered (80% of \$343,399.00), plus

\$127.80 for actual and reasonable expenses incurred, resulting in a total charge of \$274,847.00. No objection to the Third Fee Statement was filed or submitted to SGR by the Objection Deadline; therefore, SGR received payment from the Debtors in the amount of \$274,847.00, as authorized by the Interim Compensation Order.

23. On September 29, 2020, SGR filed its *Fourth Monthly Fee Statement of Smith, Gambrell & Russell, LLP, as Special Aviation Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses for the Period from August 1, 2020 through August 31, 2020* [Docket No. 986] (the “**Fourth Fee Statement**”). The Fourth Fee Statement requested fees in the amount of \$175,465.60 for professional services rendered (80% of \$219,332.00), plus \$205.34 for actual and reasonable expenses incurred, resulting in a total charge of \$175,670.94. No objection to the Fourth Fee Statement was filed or submitted to SGR by the Objection Deadline; therefore, SGR received payment from the Debtors in the amount of \$175,670.94, as authorized by the Interim Compensation Order.

24. On October 14, 2020, SGR filed its *Fifth Monthly Fee Statement of Smith, Gambrell & Russell, LLP, as Special Aviation Counsel to the Debtors for Allowance of Compensation and Reimbursement of Expenses for the Period from September 1, 2020 through September 30, 2020* [Docket No. 1085] (the “**Fifth Fee Statement**”). The Fifth Fee Statement requested fees in the amount of \$202,384.00 for professional services rendered (80% of \$252,980.00), plus \$65.60 for actual and reasonable expenses incurred, resulting in a total charge of \$202,449.60. No objection to the Fifth Fee Statement was filed or submitted to SGR by the Objection Deadline; therefore, SGR received payment from the Debtors in the amount of \$202,449.60, as authorized by the Interim Compensation Order.

25. Each of the foregoing fee statements (collectively, the “**Fee Statements**”) was served upon the Fee Notice Parties, as required by the Interim Compensation Order, and, as of

the filing date of this Application, SGR has received no objection to any of the Fee Statements.

PRIOR APPLICATIONS

26. This is SGR's first interim fee application.

NOTICE

27. In accordance with the provisions of the Interim Compensation Order, notice of this Application and the hearing thereon will be served upon the Fee Notice Parties and any party who files a Notice of Objection to Fee Statement or a notice of appearance and requests notice in these Chapter 11 Cases. In light of the noticing provisions of the Interim Compensation Order and the nature of the relief requested, SGR submits that no other or further notice need be provided.

28. No previous request for the relief sought herein has been made by SGR or the Debtors to this or any other court.

WHEREFORE, SGR respectfully requests that this Court enter an order (i) approving allowance of \$1,724,395.50 (which includes the 20% "holdback") for compensation for services rendered during the Fee Period; (ii) approving the reimbursement of SGR's out-of-pocket expenses in the amount of \$1,275.61 during the Fee Period; (iii) directing the payment of \$1,725,671.11, consisting of compensation of \$1,724,395.50 and expenses of \$1,275.61, less any sums previously paid; and (iv) granting such other and further relief as this Court deems just and proper.

Dated: November 13, 2020
Atlanta, Georgia

/s/Peter B. Barlow

Peter B. Barlow
Brian P. Hall
SMITH, GAMBRELL & RUSSELL, LLP
1230 Peachtree Street NE, Suite 3100
Atlanta, Georgia 30309
(404) 815-3500

*Special Aviation Counsel to the Debtors and
Debtors-in-Possession*

EXHIBIT “A”

FEES SUMMARIZED BY PROJECT CATEGORY

Aircraft Matters (023663.212)

Time Period	Hours	Fees
May 10, 2020 – May 31, 2020	670.80	\$395,278.00
June 1, 2020 – June 30, 2020	786.80	\$460,908.50
July 1, 2020 – July 31, 2020	580.40	\$322,995.00
August 1, 2020 – August 31, 2020	306.60	\$196,301.00
September 1, 2020 – September 30, 2020	399.80	\$242,575.50
Total:	2,744.40	\$1,618,058.00

Retention and Fee Applications (023663.216)

Time Period	Hours	Fees
May 10, 2020 – May 31, 2020	36.90	\$14,690.00
June 1, 2020 – June 30, 2020	108.80	\$37,808.00
July 1, 2020 – July 31, 2020	53.80	\$20,404.00
August 1, 2020 – August 31, 2020	52.90	\$23,031.00
September 1, 2020 – September 30, 2020	23.80	\$10,404.50
Total:	276.20	\$106,337.50

EXHIBIT “B”

EXPENSE SUMMARY

Description	Amount
PACER Charges	\$429.90
Westlaw – Legal Research	\$185.14
Express Delivery Service	\$60.57
Delaware Franchise Tax	\$600.00
TOTAL:	\$1,275.61

EXHIBIT “C”

DECLARATION OF PETER B. BARLOW

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

In re

AVIANCA HOLDINGS S.A., *et al.*¹,

Debtors.

Chapter 11

Case No. 20-11133 (MG)

Jointly Administered

**DECLARATION OF PETER B. BARLOW IN SUPPORT OF THE FIRST
INTERIM FEE APPLICATION OF SMITH, GAMBRELL & RUSSELL, LLP
AS SPECIAL AVIATION COUNSEL TO THE DEBTORS AND
DEBTORS-IN-POSSESSION FOR THE PERIOD
FROM MAY 10, 2020 THROUGH SEPTEMBER 30, 2020**

I, PETER B. BARLOW, make this declaration under 28 U.S.C. § 1746 and certify as follows:

1. I am a partner in the law firm of Smith, Gambrell & Russell, LLP (“SGR”), an international law firm with its principal offices located at 1230 Peachtree Street NE, Suite 3100, Atlanta, Georgia 30309. I am a lead attorney from SGR working on the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”). I am a member in good standing of the Bars of the states of Georgia, New York and Texas, and there are no disciplinary proceedings pending against me.

2. I have read the First Interim Fee Application of Smith, Gambrell & Russell, LLP

¹ The Debtors in these chapter 11 cases (the “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 Tacá 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 Tacá 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); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Tacá de Honduras, S.A. de C.V. (N/A); Tacá de México, S.A. (N/A); Tacá International Airlines S.A. (N/A); Tacá 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.

as Special Aviation Counsel to the Debtors and Debtors-In-Possession for the period from May 10, 2020 through September 30, 2020 (the “**Fee Application**”; and the period from May 10, 2020 through September 30, 2020, the “**Fee Period**”)². To the best of my knowledge, information, and belief, the statements contained in the Fee Application are true and correct.

3. In addition, and after reasonable inquiry, I believe that the Fee Application complies in all material respects with the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York* (June 17, 2013) promulgated pursuant to Local Bankruptcy Rule 2016-1(a) (the “**Local Guidelines**”), and the *United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 for Attorneys in Larger Chapter 11 Cases* effective as of November 1, 2013 (the “**UST Guidelines**” and together with the Local Guidelines, the “**Fee Guidelines**”).

4. With respect to section C.5 of the UST Guidelines, I certify the following:

Question 1: Did SGR agree to any variations from, or alternatives to, SGR’s standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the Fee Period? If so, please explain.

Answer: Yes. The SGR partners anticipated to be primarily involved in this representation agreed at the time of SGR’s engagement to reduced hourly billing rates during the Fee Period as follows:

Timekeeper	Title	2020 Standard Hourly Rate	Reduced Hourly Rate Applicable During the Fee Period
Jeffrey S. Tenen	Partner	\$845	\$760
Peter B. Barlow	Partner	\$730	\$695
Israel I. Sanchez	Partner	\$730	\$695
Howard E. Turner	Partner	\$810	\$760
Ronald E. Barab	Partner	\$775	\$740
Brian P. Hall	Partner	\$685	\$655

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

Timekeeper	Title	2020 Standard Hourly Rate	Reduced Hourly Rate Applicable During the Fee Period
Joseph C. Mandarino	Partner	\$715	\$685
Ellen H. Fontanella	Counsel	\$525	\$515

All other SGR timekeepers performing services pertaining to this engagement charged their time at their standard or customary billing rates without variation.

Question 2: If the fees sought in the Fee Application as compared to the fees budgeted for the time period covered by the Application are higher by 10% or more, did SGR discuss the reasons for the variation with the client?

Answer: N/A

Question 3: Have any of the professionals included in the Application varied their hourly rate based on geographic location of the bankruptcy case?

Answer: No.

Question 4: Does the Application include time or fees related to reviewing or revising time records or preparing, reviewing or revising invoices? If so, please quantify by hours and fees.

Answer: The Application includes 100.3 hours of time, totaling \$37,292.00 in fees, related to reviewing time records and preparing or reviewing invoices to ensure that SGR's time entries comply with the Fee Guidelines and do not disclose privileged or confidential information. These fees represent approximately 2.16% of the total fees billed during the Fee Period.

Question 5: Does the Application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify hours and fees.

Answer: As part of the ordinary review of time records to ensure compliance with the Fee Guidelines, certain information may be redacted or edited to protect privileged or confidential information. Any time expended on reviewing and redacting time records for privileged or confidential information is included within the totals set forth in the Answer to Question 4 above.

Question 6: Does the Application include any rate increases since SGR's retention in these cases? If so, did the client review and approve those rate increases in advance? Did the client agree when retaining the law firm to accept all future rate increases?

Answer: The Fee Application does not include any rate increases since SGR's retention in these Chapter 11 Cases.

5. With respect to Section B(1) of the Local Guidelines, I certify the following:

- (a) I have read the Fee Application;
- (b) to the best of my knowledge, information, and belief, formed after reasonable inquiry, the fees and disbursements sought in the Fee Application fall within the Local Guidelines and are permissible under the relevant rules, court orders, and Bankruptcy Code provisions;
- (c) except for the discounted rates identified in paragraph 4 above, the fees and disbursements sought in the Fee Application are billed at rates customarily employed by SGR and generally accepted by SGR's clients;
- (d) in providing a reimbursable expense, SGR does not make a profit on that expense, whether the service is performed by SGR in-house or through a third party;
- (e) in accordance with Bankruptcy Rule 2016(a) and section 504 of the Bankruptcy Code, no agreement or understanding exists between SGR and any other person for the sharing of compensation to be received in connection with the Chapter 11 Cases, except as authorized pursuant to the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules; and
- (f) all services for which compensation is sought were professional services on behalf of the Debtors and not on behalf of any other person.

6. Pursuant to Section B(2) of the Local Guidelines, and as required by the Interim Compensation Order, I certify that the Debtors and the other Fee Notice Parties have been provided during the Fee Period with statements of fees and out-of-pocket expenses containing lists of professionals and paraprofessionals providing services, their respective billing rates, the work hours expended by each individual, a general description of services rendered, and a reasonably

detailed breakdown of out-of-pocket expenses incurred.

7. Pursuant to Section B(3) of the Local Guidelines, I certify that copies of the Fee Application will be provided to the U.S. Trustee, the Debtors and counsel to the Committee at least 14 days before the date set by the Court for filing fee applications in the Chapter 11 Cases.

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

Dated: November 13, 2020
Atlanta, Georgia

Respectfully submitted,

/s/Peter B. Barlow

Peter B. Barlow