

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT DISTRICT OF NEW YORK

In re:)
) **Chapter 11**
)
AVIANCA HOLDINGS S.A., et al.,) **Case No. 20-11133**
)
) **Jointly Administered**
Debtors ¹)
) **Objection Deadline: December 9, 2020 at 12:00 p.m.**
)

**FIFTH MONTHLY FEE STATEMENT OF ALVAREZ & MARSAL NORTH
AMERICA, LLC FOR PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR THE PERIOD FROM OCTOBER 1, 2020 THROUGH OCTOBER 31, 2020**

Name of Applicant: Alvarez & Marsal North America, LLC

Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: July 14, 2020, *nunc pro tunc* to May 27, 2020

Period for which compensation and reimbursement is sought: October 1, 2020 through October 31, 2020

Amount of Compensation sought as actual, reasonable and necessary: \$36,260.00

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$24.68

This is a(n): x Monthly Interim Final Application

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); 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). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.



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Requested Payment Amount:

Fees at 80%	\$ 29,008.00
Expenses at 100%	<u>24.68</u>
Total:	\$ 29,032.68

Alvarez & Marsal North America, LLC ("A&M"), financial advisor to the Official Committee of Unsecured Creditors (the "Committee") appointed in the case of the above-captioned debtors (the "Debtors"), hereby submits its fifth monthly statement (the "Statement") for entry of an order pursuant to section 331 of title 11 of the United States Code, 11 U.S.C. §§101 et seq, as amended (the "Bankruptcy Code") granting it interim compensation and reimbursement of expenses for the period from October 1, 2020 through October 31, 2020. In support hereof, A&M respectfully represents as follows:

**I. JURISDICTION, VENUE AND STATUTORY
PREDICATES FOR RELIEF SOUGHT**

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §1334. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A) and (B). Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§1408 and 1409. The statutory predicate for the relief sought herein is section 331 of the Bankruptcy Code.

II. BACKGROUND

2. On May 10, 2020 (the "Petition Date"), the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have continued in the management of their businesses and operation of their properties pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. In accordance with the provisions of section 1102(b) of the Bankruptcy Code, on May 22, 2020, the United States Trustee appointed the Committee in the Debtors' cases.

4. On July 14, 2020, this Court entered an order approving the retention of A&M as financial advisor to the Committee effective May 27, 2020 [Docket No. 459].

5. A&M has rendered services on behalf of the Committee for the period from October 1, 2020 through October 31, 2020 (the "Compensation Period") totaling 52.4 hours of professional time.

6. The following exhibits are attached hereto for the Compensation Period: (i) Exhibit "A" is a summary of time detail by professional; (ii) Exhibit "B" is a summary of time detail by project category; (iii) Exhibit "C" is the itemized daily

time records by project category; (iv) Exhibit “D” is a summary of expenses by category; and (v) Exhibit “E” is the itemized expense detail by professional.

7. The total sum due to A&M for professional services rendered on behalf of the Committee for the Compensation Period is \$36,260.00. A&M submits that the professional services it rendered on behalf of the Committee during this time were reasonable and necessary.

8. A&M also expended costs on behalf of the Committee in the sum of \$24.68 during the Compensation Period.

9. The undersigned hereby attests that he has reviewed the requirements of Local Rule 2016-1 and this Application conforms to such requirements.

III. NOTICE AND OBJECTION PROCEDURES

10. Notice of this Fifth Monthly Statement shall be given by hand or overnight delivery upon the following parties (collectively, the “Fee Notice Parties”): (i) the Debtors c/o Avianca Holdings S.A., Av. Calle 26 # 59-15, 6th Floor, Bogotá, Colombia 111321 (Attn: Renato Covelo, General Counsel and Richard Galindo, Associate General Counsel; Email: Renato.Covelo@avianca.com; Richard.Galindo@avianca.com); (ii) counsel for the Debtors, Milbank LLP, 55 Hudson Yards, New York, New York 10001 (Attn: Evan R. Fleck, Esq., Greg Bray, Esq., and Parker Milender, Esq.; Email: EFleck@milbank.com; GBray@milbank.com; PMilender@milbank.com); (iii) the U.S. Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian S. Masumoto, Esq. and Greg M. Zipes, Esq.; Email: Brian.Masumoto@usdoj.gov; Greg.Zipes@usdoj.gov); (iv) counsel for the Committee, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019 (Attn: Brett H. Miller, Esq.; Todd M. Goren, Esq.; Erica J. Richards, Esq.; Email: BrettMiller@mofo.com; TGoren@mofo.com; ERichards@mofo.com); and (v) counsel for any other statutory committees appointed in these Chapter 11 Cases.

11. Objections to this Fifth Monthly Statement, if any, must be filed by the objection deadline and served upon Alvarez & Marsal, 600 Madison Avenue, New York, NY 10022, Attn: Mark Greenberg, mgreenberg@alvarezandmarsal.com, no later than December 9, 2020 (12:00 p.m. Prevailing Eastern Time) (the “Objection Deadline”). Objections to this Fifth Monthly Statement, if any, must set forth the nature of the objection and the specific amount of fees or expenses at issue.

12. If no objection to this Fifth Monthly Statement is received by the Objection Deadline, the Debtors shall promptly pay Alvarez & Marsal 80% of the fees and 100% of the expenses identified in this Fifth Monthly Statement. To

the extent that an objection to this Fifth Monthly Statement is received by the Objection Deadline, the Debtors shall withhold payment of that portion of this Fifth Monthly 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, it shall be preserved and scheduled for consideration at the next interim fee application hearing.

WHEREFORE, A&M hereby requests: (i) interim allowance of compensation for necessary and valuable professional services rendered to the Debtors in the sum of \$36,260.00 and reimbursement of actual and necessary expenses incurred in the sum of \$24.68 for the period from October 1, 2020 through October 31, 2020; (ii) payment in the amount of \$29,032.68 representing 80% of total fees billed and 100% of the expenses incurred during the Compensation Period, as provided under the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals [Docket No. 256]; and (iii) such other relief as this Court deems just and proper.

Dated: November 24, 2020
New York, NY

Respectfully submitted,

**ALVAREZ & MARSAL NORTH
AMERICA, LLC**

By: /s/ Mark Greenberg
Mark Greenberg
600 Madison Ave
New York, NY 10022
Telephone: 212.328.8562
mgreenberg@alvarezandmarsal.com

Financial Advisor to the *Official Committee of
Unsecured Creditors*

Exhibit A

***Avianca Holdings S.A., et al.
Summary of Time Detail by Professional
October 1, 2020 through October 31, 2020***

Professional	Position	Billing Rate	Hours	Fees
Ferrucho, Juan	Managing Director	\$1,050	1.1	\$1,155.00
Greenberg, Mark	Managing Director	950	7.2	6,840.00
Gonzalez, Andrea	Managing Director	925	6.0	5,550.00
Waschitz, Seth	Director	750	13.7	10,275.00
Levy, Spencer	Associate	550	14.6	8,030.00
Ortiz, III, Ramon	Analyst	450	9.8	4,410.00
Total			52.4	\$36,260.00

Exhibit B

***Avianca Holdings S.A., et al.
Summary of Time Detail by Project Category
October 1, 2020 through October 31, 2020***

Project Category	Hours	Fees
Court Attendance / Participation	2.8	\$1,540.00
Fee Application	12.0	5,960.00
Financial & Operational Matters	3.6	2,832.50
Firm Retention	4.6	3,010.00
General Correspondence with Debtor & Debtors' Professionals	0.2	150.00
General Correspondence with UCC & UCC Counsel	13.7	11,075.00
Insurance Matters	1.6	1,340.00
Intercompany Claims	1.1	920.00
Miscellaneous Motions	1.9	1,620.00
Potential Avoidance Actions / Litigation Matters	1.3	1,035.00
SOFAs & SOALs	7.4	4,717.50
Tax Matters	2.2	2,060.00
Total	52.4	\$36,260.00

Exhibit C

*Avianca Holdings S.A., et al.
Time Detail by Project Category
October 1, 2020 through October 31, 2020*

Professional	Date	Hours	Time Description
Court Attendance / Participation			
Levy, Spencer	10/5/2020	2.8	Attend court hearing re: DIP financing and LifeMiles sale (telephonically)
Subtotal		2.8	
Fee Application			
Ortiz, III, Ramon	10/5/2020	1.8	Prepare fee application
Ortiz, III, Ramon	10/6/2020	2.7	Prepare fee application
Waschitz, Seth	10/6/2020	0.3	Review and edit fee application
Greenberg, Mark	10/7/2020	0.7	Review and edit monthly fee application
Ortiz, III, Ramon	10/7/2020	1.4	Revise fee application
Ortiz, III, Ramon	10/21/2020	1.8	Prepare first interim fee application
Ortiz, III, Ramon	10/21/2020	1.4	Prepare first interim fee application
Levy, Spencer	10/30/2020	1.2	Review and comment on first interim fee application
Ortiz, III, Ramon	10/30/2020	0.7	Prepare first interim fee application
Subtotal		12.0	
Financial & Operational Matters			
Gonzalez, Andrea	10/6/2020	0.3	Review first day fuel supplier motion and related fuel vendor matrix
Greenberg, Mark	10/6/2020	0.2	Correspond with UCC counsel re: fuel obligations
Waschitz, Seth	10/6/2020	0.3	Correspond with UCC counsel re: fuel-related obligations
Waschitz, Seth	10/6/2020	1.6	Analyze fuel-related obligations
Waschitz, Seth	10/6/2020	0.2	Correspond with Debtors re: fuel-related obligations
Greenberg, Mark	10/8/2020	0.2	Correspond with UCC counsel re: fuel obligations
Waschitz, Seth	10/8/2020	0.2	Correspond with UCC counsel re: fuel-related obligations
Waschitz, Seth	10/20/2020	0.6	Update workplan re: monthly reporting, SOFA/SOAL and insider payment diligence items
Subtotal		3.6	
Firm Retention			
Levy, Spencer	10/5/2020	0.7	Correspond with A&M team members re: supplemental declaration
Greenberg, Mark	10/16/2020	0.6	Supervise development of supplemental retention declaration
Levy, Spencer	10/19/2020	2.7	Prepare first supplemental declaration
Greenberg, Mark	10/21/2020	0.6	Review and edit supplemental retention declaration
Subtotal		4.6	

Exhibit C

*Avianca Holdings S.A., et al.
Time Detail by Project Category
October 1, 2020 through October 31, 2020*

Professional	Date	Hours	Time Description
General Correspondence with Debtor & Debtors' Professionals			
Waschitz, Seth	10/21/2020	0.2	Correspond with Debtors re: SOFA/SOAL and insider payment diligence items
Subtotal		0.2	
General Correspondence with UCC & UCC Counsel			
Gonzalez, Andrea	10/1/2020	1.7	Participate on call with UCC re: DIP financing and cash flow update
Greenberg, Mark	10/1/2020	1.7	Participate on call with UCC re: DIP financing and financial update
Levy, Spencer	10/1/2020	1.7	Participate on call with UCC re: DIP participation by Colombian government, cash flow update, and strategy
Waschitz, Seth	10/1/2020	1.7	Participate on call with UCC re: DIP update and case update
Gonzalez, Andrea	10/7/2020	0.5	Participate on call with UCC professionals re: first day reporting changes and DIP financing update
Greenberg, Mark	10/7/2020	0.5	Participate on call with UCC professionals re: first day reporting changes and DIP financing update
Gonzalez, Andrea	10/8/2020	0.5	Participate on call with UCC re: DIP update and case strategy
Waschitz, Seth	10/8/2020	0.5	Participate on call with UCC re: DIP update and financial update
Gonzalez, Andrea	10/14/2020	0.3	Participate on call with UCC professionals re: workplan and case strategy
Waschitz, Seth	10/14/2020	0.3	Participate on call with UCC professionals re: workplan, case update, and case strategy
Gonzalez, Andrea	10/15/2020	1.0	Participate on call with UCC re: DIP financing, financial update, and issues with Colombian government
Waschitz, Seth	10/15/2020	1.0	Participate on call with UCC re: DIP financing, financial update, and issues with Colombian government
Waschitz, Seth	10/21/2020	0.4	Participate on call with UCC professionals re: case and business update
Waschitz, Seth	10/22/2020	0.5	Participate on call with UCC re: DIP financing and USAV update
Waschitz, Seth	10/28/2020	0.5	Participate on call with UCC professionals re: USAV, DIP, cash reporting, and operational performance update
Waschitz, Seth	10/29/2020	0.9	Participate on call with UCC re: cash reporting, DIP financing, and operational performance update
Subtotal		13.7	
Insurance Matters			
Waschitz, Seth	10/2/2020	0.6	Review insurance payment request from Debtors and check against insurance motion
Waschitz, Seth	10/5/2020	0.2	Correspond with Debtors re: insurance payment request
Gonzalez, Andrea	10/20/2020	0.3	Review correspondence from Debtors' advisors re: request to renew certain insurance policies
Gonzalez, Andrea	10/20/2020	0.5	Review Schedule 1 of the insurance motion to estimate a reasonable payment notice threshold
Subtotal		1.6	
Intercompany Activity			
Gonzalez, Andrea	10/30/2020	0.2	Review correspondence from Debtors' advisors re: new intercompany loan agreements
Greenberg, Mark	10/30/2020	0.3	Review intercompany payment request
Waschitz, Seth	10/30/2020	0.4	Correspond with Debtors re: intercompany loan request

Exhibit C

*Avianca Holdings S.A., et al.
Time Detail by Project Category
October 1, 2020 through October 31, 2020*

Professional	Date	Hours	Time Description
Waschitz, Seth	10/30/2020	0.2	Correspond with UCC counsel re: intercompany loan request
Subtotal		1.1	
Miscellaneous Motions			
Gonzalez, Andrea	10/7/2020	0.2	Review proposed revised first day UCC reporting requirements
Greenberg, Mark	10/7/2020	0.8	Review Debtors' first day order reporting proposal
Waschitz, Seth	10/7/2020	0.2	Correspond with UCC counsel re: first day motion reporting changes
Waschitz, Seth	10/7/2020	0.7	Review Debtors' proposal re: first day motion reporting changes
Subtotal		1.9	
Potential Avoidance Actions / Litigation Matters			
Waschitz, Seth	10/13/2020	0.4	Update workplan re: payments to insiders investigation
Greenberg, Mark	10/28/2020	0.3	Correspond with Debtors re: prepetition payments to insiders
Waschitz, Seth	10/28/2020	0.6	Review diligence re: payments to insiders
Subtotal		1.3	
SOFA's & SOALs			
Greenberg, Mark	10/1/2020	0.9	Correspond with Debtors and UCC professionals re: open diligence items on SOFA's/SOALs
Waschitz, Seth	10/1/2020	0.2	Correspond with Debtors re: SOFA/SOAL diligence requests
Waschitz, Seth	10/1/2020	0.3	Correspond with UCC counsel re: SOFA/SOAL update
Gonzalez, Andrea	10/6/2020	0.5	Review SOAL to understand prepetition claims related to financial institutions
Levy, Spencer	10/6/2020	2.7	Review SOAL re: unsecured creditor payment request from Debtors
Levy, Spencer	10/6/2020	2.8	Review SOFA/SOAL re: analysis of prepetition intercompany balances
Subtotal		7.4	
Tax Matters			
Ferrucho, Juan	10/1/2020	0.5	Review October tax proposal
Waschitz, Seth	10/8/2020	0.3	Correspond with Debtors re: tax payment request
Ferrucho, Juan	10/9/2020	0.3	Review tax proposal and corresponding payment plan
Greenberg, Mark	10/9/2020	0.4	Review and comment on proposed taxing authority payment plans
Waschitz, Seth	10/9/2020	0.4	Correspond with A&M team re: tax payment request
Ferrucho, Juan	10/29/2020	0.3	Review October tax payment request
Subtotal		2.2	
Grand Total		52.4	

Exhibit D

***Avianca Holdings S.A., et al.
Expense Summary by Category
October 1, 2020 through October 31, 2020***

Expense Category	Total
Miscellaneous	\$24.68
Total	\$24.68

Exhibit E

***Avianca Holdings S.A., et al.
Expense Detail by Professional
October 1, 2020 through October 31, 2020***

Category / Professional	Date	Expenses (\$)	Description
Miscellaneous			
Greenberg, Mark	Oct-31	\$5.52	Wireless usage charges
Gonzalez, Andrea	Oct-31	4.80	Wireless usage charges
Levy, Spencer	Oct-31	14.36	Wireless usage charges
		24.68	
Grand Total		\$24.68	