



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 8, 2016

*Barbara J. Houser*  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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	:	
<i>In re:</i>	:	<b>Chapter 11</b>
	:	
<b>CHC GROUP LTD. et al.,</b>	:	<b>Case No. 16-31854 (BJH)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**FINAL ORDER (I) AUTHORIZING DEBTORS TO PAY CERTAIN  
(A) EMPLOYEE OBLIGATIONS AND (B) INDEPENDENT CONTRACTOR  
OBLIGATIONS, (II) MODIFYING THE AUTOMATIC STAY AND, (III) AUTHORIZING  
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS  
RELATED TO SUCH OBLIGATIONS PURSUANT TO SECTIONS 105(a), 363(b),  
AND 507(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004**

Upon the Motion, dated May 5, 2016 (the "**Motion**"),<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for an order pursuant to section 105(a), 363(b) and 507(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6003 and 6004 of the Federal Rules of

<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.



Bankruptcy Procedure (the “**Bankruptcy Rules**”) (i) authorizing, but not directing, the Debtors to (a) pay, in their sole discretion, Employee Obligations and all costs incident to the foregoing, and (b) maintain and continue to honor their practices, programs, and policies in place for their employees as they were in effect as of the Petition Date, as such may be modified, amended, or supplemented from time to time in the ordinary course of business, (ii) authorizing, but not directing, the Debtors to pay, in their sole discretion, Independent Contractor Obligations, (iii) modifying the automatic stay with respect to the Workers Compensation Programs, and (iv) authorizing the Banks to receive, honor, process, and pay all checks issued or to be issued and electronic funds transfers requested or to be requested related to such obligations, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”), (ii) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis), (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020, (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement, (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement, (vi) The Bank of New

York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021, (vii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: Glenn E. Siegel, Esq. and Rachel Jaffe Mauceri, Esq.), counsel to the indenture trustee under the 9.250% Senior Secured Notes due 2020, (viii) the Board of Equalization, PO Box 942879, Sacramento, Ca. 94279, (ix) the Securities and Exchange Commission, (x) the Office of the United States Attorney, 1100 Commerce Street, 3<sup>rd</sup> Floor, Dallas, TX 75242, (xi) the Internal Revenue Service, and (xii) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002 (collectively, the “**Notice Parties**”); and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “**Final Hearing**”); and the appearances of all interested parties having been noted in the record of the Final Hearing; and upon the *Declaration of Robert A. Del Genio in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief*, filed contemporaneously with the Motion, the record of the Final Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, to satisfy all prepetition Employee Obligations and Independent Contractor Obligations and all costs incident to the foregoing in accordance with the Debtors’ customary policies, including, but not limited to,

Compensation Obligations, Payroll Taxes and Deductions, Expense Reimbursements, PEO Fees, Employee Benefits, and Service Fees in the ordinary course of business as they come due and in accordance with the forecast required to be provided to the Official Committee of Unsecured Creditors (the “**Committee**”) under the interim and/or final orders approving the use of cash collateral, including any variance approved by the Court.

3. The Debtors are authorized, but not required, to maintain and continue to honor their practices, programs and policies in place for the benefit of their Employees as were in effect as of the Petition Date, as such may be modified, amended, or supplemented from time to time in the ordinary course of business; *provided, however*, that the Debtors will obtain the consent of the Committee, not to be unreasonably withheld, on five (5) business days’ notice or further order of the Court prior to making any material modification to any programs or policies.

4. The Debtors are authorized, but not directed, to make payments on account of the PTO Cash-Out Benefits not to exceed \$2 million in aggregate unless otherwise approved by further order of the Court. The Debtors will provide the Committee, by and through their advisors, a monthly report of all payments made on or after the Petition Date pursuant to this paragraph. Such report shall be due on the 20th day after (or the next business day if such day is not a business day) the last day of the month.

5. Pursuant to section 362(d) of the Bankruptcy Code, to the extent any of the Debtors’ Employees hold claims under the Debtors’ Workers Compensation Programs, those Employees are authorized to proceed with their Workers Compensation Claims in the appropriate judicial or administrative forum under the applicable Workers Compensation Programs; *provided*, that such claims are pursued in accordance with the Workers Compensation

Programs, and recoveries, if any, are limited to the proceeds from the applicable Workers Compensation Programs.

6. The Banks are authorized, at the Debtors' request, to receive, process, honor, and pay, to the extent of funds on deposit, any and all checks issued or to be issued or electronic funds transfers requested or to be requested by the Debtors relating to Employee Obligations or Independent Contractor Obligations.

7. The Banks are authorized to rely upon the representations of the Debtors as to which checks and transfers to honor with respect to the payment of Employee Obligations and Independent Contractor Obligations.

8. The Banks are prohibited from placing any holds on, or attempting to reverse or otherwise interfere with, any checks or transfers to the Employees' accounts on account of the Employee Obligations, the Independent Contractor Obligations, and the costs and expenses incident thereto.

9. The Debtors are authorized, but not directed, to issue new postpetition checks or effect new postpetition electronic funds transfers in replacement of any checks or transfer requests on account of the Employee Obligations or Independent Contractor Obligations dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases.

10. The Debtors are authorized, but not directed, to pay all postpetition costs and expenses incident to the Employee Obligations and Independent Contractor Obligations, including administrative and processing fees (including but not limited to, the PEO Fees) to outside professionals in the ordinary course of business.

11. Nothing contained in this Order or any action taken by the Debtors in implementing this Order shall be deemed (i) an admission as to the validity of any claim against

the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for or validity of any claim of the Employees, Independent Contractors, PEOs, Taxing Authorities, or Benefits Providers under applicable nonbankruptcy law, (iii) a waiver of any claims or causes of action which may exist against any Employees, Independent Contractors, PEOs, Taxing Authorities, or Benefits Providers, or (iv) an assumption, adoption or rejection of any contract or lease between the Debtors and any third party under section 365 of the Bankruptcy Code.

12. Nothing in this Order shall be deemed to authorize the payment of any amounts in satisfaction of prepetition bonus or severance obligations that are subject to section 503(c) of the Bankruptcy Code.

13. Notwithstanding any other provision of this Order, no payments to any individual Employee or Independent Contractor on account of prepetition wages, salaries, or commissions, including severance earned by such individual Employee or Independent Contractor, or on account of contributions to an employee benefit plan shall exceed the amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

14. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

15. Notice of the Motion as provided herein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 4001(d) and 6004(a) are waived.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

17. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

###END OF ORDER###

Respectfully Submitted,

**WEIL, GOTSHAL & MANGES LLP**

/s/ Stephen A. Youngman

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